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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

**TRANSCRIPT OF PROCEEDINGS**

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**CLOSING DATE: MARCH 14, 2018**

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHOOL FACILITY REVENUE BONDS**  
**(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

**INDEX OF CLOSING DOCUMENTS**

| <b><u>Tab No.</u></b> | <b><u>Basic Documents</u></b>  |
|-----------------------|--|
| 1                     | Syracuse Schools Act   |
| 2                     | Legislation Authorizing Phase II of Program  |
| 3                     | Fourth Amendatory License Agreement  |
| 4                     | Bill of Sale to Agency (2008)  |
| 5                     | Amendatory Bill of Sale to Agency (2010)   |
| 6                     | Second Amendatory Bill of Sale to Agency (2011)  |
| 7                     | Third Amendatory Bill of Sale to Agency (2018)   |
| 8                     | Installment Sale Agreement (2008)  |
| 9                     | Amendment No. 5 to Installment Sale Agreement  |
| 10                    | State Aid Depository Agreement (2008)  |
| 11                    | First Amendment to State Aid Depository Agreement (2010)   |
| 12                    | Copy of Letter of Instruction from the Commissioner of Finance and the President of the Board of Education of SCSD related to State Aid to Education deposits and confirmatory receipt by the New York State Comptroller |
| 13                    | Environmental Compliance and Indemnification Agreement (2008)  |
| 14                    | First Supplemental Environmental Compliance and Indemnification Agreement (2010)   |
| 15                    | Second Supplemental Environmental Compliance and Indemnification Agreement (2011)  |

- 16 Third Supplemental Environmental Compliance and Indemnification Agreement (2018)
- 17 Indenture of Trust (2018)
- 18 Pledge and Assignment in favor of Trustee
- 19 Tax Certificate
- 20 Arbitrage and Use of Proceeds Certificate
- 21 Information Return for Tax-Exempt Governmental Obligations (IRS Form 8038G) with proof of mailing
- 22 TD- State Bond Issuance Charge Return
- 23 Continuing Disclosure Agreement
- 24 DTC Blanket Letter of Representations
- 25 UCC-1 Financing Statements
- (a) Indenture
- (b) Pledge and Assignment
- 26 Closing Receipt
- 27 Requisition #1 (Project Fund) (COI)
- 28 Letter of Instruction to Trustee and City re: BAN redemption
- 29 Specimen Bonds
- 30 General Certificate of the City by Mayor including representations and warranties under the Bond Purchase Agreement with
- Exhibit A: Certified Copies of Ordinances
- 31 Certificate of Determination of the Commissioner of Finance on behalf of the City as to cost comparison and interest rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis
- Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency

- 32 Investment Directive Letter with exhibit
- 33 General Certificate of SCSD including representations, and warranties under the Bond Purchase Agreement with
- Exhibit "A": Certified Resolutions
- 34 Agreed upon procedures letter by accountants of SCSD with consent
- 35 Certificate of the SCSD (2018) as to Plans and Specifications for Series 2018A Project with:
- A. Evidence of approval by the New York State Education Department and Board of Education;
  - B. Certificate of MBBA as to cost comparison and interest rate, together with Exhibits
  - C. Evidence of approval by the OSC as to Financial Plan.
- 36 Certificate of Determination by the Chief Financial Officer of the SCSD as to Financing Cost and Interest Rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis
- Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency
- 37 General Certificate of JSCB including representations and warranties under the Bond Purchase Agreement with:
- Exhibit A: Intermunicipal Agreement
  - Exhibit B: Certified Resolutions
  - Exhibit C: By-Laws
- 38 Program Manager Agreement
- 39 Approval of Financial Plan by State Comptroller
- 40 Certificate of Determination of the Mayor as Chair of the JSCB as to Financing Cost and Interest Rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis

Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency

41 Insurance Certificates

42 Certificate of Program Manager

Exhibit A: Certificate of Incorporation

Exhibit B: Certificate of Good Standing

Exhibit C: Resolution

43 General Certificate of the Agency relating to incumbency and signature of officers, execution and delivery of the Bonds and the other Agency Documents to which it is a party, no litigation and continued existence with the following items included as exhibits:

Exhibit A: Chapter 641 of the Laws of 1979

Exhibit B: Certificates of Establishment of the Agency and of Appointment of current members of the Agency, certified by the NYS Secretary of State

Exhibit C: By-Laws

Exhibit D: Public Hearing Resolution

Exhibit E: Affidavit of publication of notice of Public Hearing, Letters sent to affected taxing jurisdictions and Report of Public Hearing

Exhibit F: SEQRA Lead Agency Resolution

Exhibit G: SEQRA Resolution

Exhibit H: Inducement Resolution

Exhibit I: Bond Sale Resolution

Exhibit J: Alternate Signatory Resolution

44 Request to Authenticate and Deliver Bonds

45 Bond Purchase Agreement

46 Blue Sky Memorandum

- 47 15c2-12 Certificates
- 48 Preliminary Official Statement
- 49 Official Statement
- 50 Rating Agency Letters
- 51 Certificate of Authority as Trustee and as Depository Bank
- 52 Representation as FAST Agent and Receipt for Bonds
- 53 Opinion of Counsel of Corporation Counsel, counsel to Agency, addressed to SIDA, the Representative, School Parties, Bond Counsel, the Trustee and the Bond Insurer
- 54 Opinion of Corporation Counsel to City and SCSD addressed to SIDA, the Representative, School Parties, Bond Counsel, the Trustee and Depository Bank
- 55 Opinion of Counsel of Trespasz & Marquardt, LLP, counsel to JSCB, addressed to School Parties, SIDA, Bond Counsel, the Trustee and the Representative
- 56 Opinion of Program Manager, addressed to SIDA, School Parties, Bond Counsel, the Trustee and the Representative
- 57 Opinion of Counsel of Harris Beach PLLC, counsel to Underwriter, addressed to Representative
- 58 Opinion of Counsel of Hodgson Russ LLP, counsel to Trustee and Depository Bank addressed to School Parties, SIDA, Bond Counsel and the Representative
- 59 Approving Opinion of Barclay Damon, LLP, as Bond Counsel, addressed to SIDA
- 60 Reliance Letter of Barclay Damon, LLP, as Bond Counsel, addressed to the Bond Trustee, the Depository and Underwriter
- 61 Supplemental Opinion of Barclay Damon, LLP, as Bond Counsel, addressed to SIDA and the Representative
- 62 Closing Memorandum

1 heretofore or hereafter enacted relating to state aid or assistance, the  
2 manner and time of payment or apportionment thereof, or the amount ther-  
3 eof.

4 § 5. This act shall take effect immediately.

5

PART A-4

6 Section 1. Paragraph c of subdivision 7 of section 3602 of the educa-  
7 tion law, as amended by section 22 of part C of chapter 57 of the laws  
8 of 2004, is amended to read as follows:

9 c. For the purposes of computing this apportionment for the two thou-  
10 sand five--two thousand six school year and thereafter, approved trans-  
11 portation capital, debt service, and lease expense shall be the amount  
12 computed based upon an assumed amortization determined pursuant to para-  
13 graph e of this subdivision for an expenditure incurred by a school  
14 district and approved by the commissioner for those items of transporta-  
15 tion capital, debt service and lease expense allowable under subdivision  
16 two of section thirty-six hundred twenty-three-a of this article for:  
17 (i) the regular aidable transportation of pupils, as such terms are  
18 defined in sections thirty-six hundred twenty-one and thirty-six hundred  
19 twenty-two-a of this article, (ii) the transportation of children with  
20 disabilities pursuant to article eighty-nine of this chapter, and (iii)  
21 the transportation of homeless children pursuant to paragraph c of  
22 subdivision four of section thirty-two hundred nine of this chapter,  
23 provided that the total approved cost of such transportation shall not  
24 exceed the amount of the total cost of the most cost-effective mode of  
25 transportation. Approvable expenses for the purchase of school buses  
26 shall be limited to the actual purchase price, or the expense as if the  
27 bus were purchased under state contract, whichever is less. If the  
28 commissioner determines that no comparable bus was available under state  
29 contract at the time of purchase, the approvable expenses shall be the  
30 actual purchase price or the state wide median price of such bus in the  
31 most recent base year in which such median price was established with an  
32 allowable year to year CPI increase as defined in subdivision fourteen  
33 of section three hundred five of this chapter; whichever is less. Such  
34 median shall be computed by the commissioner for the purposes of this  
35 subdivision. [Commencing with aid payable in the nineteen hundred nine-  
36 ty-six--ninety-seven school year, no aid shall be payable in the current  
37 year for costs incurred for the purchase or lease of a school bus in the  
38 base year unless (i) such costs were budgeted by the school district and  
39 so reported to the commissioner by November fifteenth of the base year  
40 or (ii) such costs were incurred on an emergency basis to replace a  
41 school bus that has been rendered unusable due to accident, fire or  
42 other similar circumstance, and such emergency and the cost of such  
43 replacement were reported to the commissioner within sixty days of such  
44 replacement; provided, however, that nothing herein shall prohibit the  
45 district from claiming aid for such purchase or lease of a school bus in  
46 the year following the current school year as if such costs were  
47 approved transportation expense incurred during the current year for the  
48 purposes of paragraph a of this subdivision and to the extent that such  
49 costs are identified to the commissioner by November first of the  
50 current year.]

51 § 2. Subdivision 1 of section 167 of chapter 169 of the laws of 1994  
52 relating to certain provisions related to the 1994-95 state operations,  
53 aid to localities, capital projects and debt service budgets, as amended

1 by section 26 of part L of chapter 57 of the laws of 2005, is amended to  
2 read as follows:

3 1. Sections one through seventy of this act shall be deemed to have  
4 been in full force and effect as of April 1, 1994 provided, however,  
5 that sections one, two, twenty-four, twenty-five and twenty-seven  
6 through seventy of this act shall expire and be deemed repealed on March  
7 31, 2000; provided, however, that section twenty of this act shall apply  
8 only to hearings commenced prior to September 1, 1994, and provided  
9 further that section twenty-six of this act shall expire and be deemed  
10 repealed on March 31, 1997; and provided further that sections four  
11 through fourteen, sixteen, and eighteen, nineteen and twenty-one through  
12 twenty-one-a of this act shall expire and be deemed repealed on March  
13 31, 1997; and provided further that sections three, fifteen, seventeen,  
14 twenty, twenty-two and twenty-three of this act shall expire and be  
15 deemed repealed on March 31, [2007] 2008.

16 § 3. This act shall be known and may be cited as "the city of Syracuse  
17 and the board of education of the city school district of the city of  
18 Syracuse cooperative school reconstruction act."

19 § 4. Definitions. As used or referred to in this act:

20 (a) "City" shall mean the city of Syracuse.

21 (b) "City school district" shall mean the city school district of the  
22 city of Syracuse acting by and through the board of education of the  
23 city school district of the city of Syracuse.

24 (c) "Commissioner" shall mean the commissioner of education of the  
25 state of New York.

26 (d) "Common council" shall mean the common council of the city of  
27 Syracuse.

28 (e) "Comptroller" shall mean the comptroller of the state of New York.

29 (f) "JSC board" shall mean the joint schools construction board of the  
30 city and the city school district as set forth in an agreement, dated as  
31 of April 1, 2004, between the city school district and the city as such  
32 agreement may be from time to time amended or supplemented, acting as  
33 agent for the city, school district, or both.

34 (g) "Person" shall mean a municipality or other governmental body, a  
35 public corporation or an authority, a private corporation, a limited  
36 liability company or partnership, or an individual.

37 (h) "Project" shall mean work at an existing school building site that  
38 involves the design, reconstruction, or rehabilitation of an existing  
39 school building for its continued use as a school of the city school  
40 district, which may include an addition to an existing school building  
41 for such continued use at a cost, for such addition, of no more than  
42 nine million dollars, and which also may include (1) the construction or  
43 reconstruction of athletic fields, playgrounds, and other recreational  
44 facilities for such existing school building, and/or (2) the acquisition  
45 and installation of all equipment necessary and attendant to and for the  
46 use of such existing school building.

47 (i) "Project labor agreement" shall mean a pre-hire collective  
48 bargaining agreement between a contractor and a labor organization  
49 establishing the labor organization as the collective bargaining repre-  
50 sentative for all persons who will perform work on the project, and  
51 which provides that only contractors and subcontractors who sign a pre-  
52 negotiated agreement with the labor organization can perform project  
53 work.

54 (j) "Program manager" shall mean an independent program management  
55 firm hired by the JSC board to assist it in: (1) developing and imple-  
56 menting procedures for the projects undertaken and contracted for by the



1 JSC board; (2) reviewing plans and specifications for projects; (3)  
2 developing and implementing policies and procedures to utilize employ-  
3 ment resources to provide sufficient skilled employees for such  
4 projects, including developing and implementing training programs, if  
5 required; and (4) managing such projects.

6 § 5. No more than seven projects, one each at the Central High School,  
7 the Blodgett School, the Shea Middle School, the H.W. Smith Elementary  
8 School, the Clary Middle School, the Dr. Weeks Elementary School and the  
9 Fowler High School, up to a total cost of two hundred twenty-five  
10 million dollars, shall be authorized and undertaken pursuant to this  
11 act, unless otherwise authorized by law.

12 § 6. Before formal selection of the projects occurs, the JSC board  
13 shall develop a comprehensive plan recommending and outlining the  
14 projects it proposes to be potentially undertaken pursuant to this act.  
15 Such plan shall include: (a) an estimate of total costs to be financed,  
16 proposed financing plan, proposed method of financing, terms and condi-  
17 tions of the financing, estimated financing costs, and, if city general  
18 obligation bonds or notes are not proposed as the method of financing, a  
19 comparison of financing costs between such bonds or notes and the  
20 proposed method of financing. The plan should also address what specific  
21 options would be used to ensure that sufficient resources exist to cover  
22 the local share of any such project cost on an annual basis; (b) infor-  
23 mation concerning the potential persons to be involved in the financing  
24 and such person's role and responsibilities; (c) estimates on the  
25 design, reconstruction and rehabilitation costs by project, any adminis-  
26 trative costs for potential projects, and an outline of the time-frame  
27 expected for completion of each potential project; (d) a detailed  
28 description of the request for proposals process and an outline of the  
29 criteria to be used for selection of the program manager and all  
30 contractors; (e) any proposed amendments to the city school district's  
31 five year capital facilities plan submitted in accordance with subdivi-  
32 sion 6 of section 3602 of the education law and the regulations of the  
33 commissioner; and (f) a diversity plan, in compliance with subdivision  
34 (e) of section eight of this act, to develop diversity goals, including  
35 appropriate community input and public discussion, and develop strate-  
36 gies that would create and coordinate any efforts to ensure a more  
37 diverse workforce for the projects. The diversity plan should address  
38 accountability for attainment of the diversity goals, what forms of  
39 monitoring would be used, and how such information would be publicly  
40 communicated.

41 Prior to the development of the comprehensive plan, the JSC board  
42 shall hold as many public hearings as may be necessary to ensure suffi-  
43 cient public input and allow for significant public discussion on the  
44 school building needs in such city, with at least one hearing to be held  
45 in each neighborhood potentially impacted by a proposed project.

46 The JSC board shall submit the components of such comprehensive plan  
47 outlined in subdivision (a) of this section to the comptroller, along  
48 with any other information requested by the comptroller, for his or her  
49 review and approval.

50 § 7. Notwithstanding any general, special or local law to the contrary  
51 and upon approval by the comptroller pursuant to section four of this  
52 act, the city school district may select projects to be undertaken  
53 pursuant to this act, as provided for in such approved comprehensive  
54 plan. After the city school district has selected a new project and  
55 plans and specifications for such project have been prepared and  
56 approved by the city school district, which are consistent with the

1 approved comprehensive plan, the city school district shall deliver such  
2 plans and specifications to the city, for approval by such city, acting  
3 through the common council, and after the common council has approved  
4 such plans and specifications, the city shall deliver them to the  
5 commissioner for his or her approval. After approval by the commission-  
6 er, the plans and specifications shall be returned to the city school  
7 district and such district shall then deliver them to the JSC board.  
8 All such specifications shall detail the number of students the  
9 completed project is intended to serve, the site description, the types  
10 of subjects to be taught, the types of activities for school, recre-  
11 ational, social, safety, or other purposes intended to be incorporated  
12 in the school building or on its site and such other information as the  
13 city school district, the city, the common council, and the commissioner  
14 shall deem necessary or advisable.

15 § 8. (a) Pursuant to the authority granted to it by an agreement and  
16 any amendment or supplemental agreement thereto, between the city and  
17 the city school district creating the JSC board with reference to the  
18 JSC board and any amendments to those sections, the JSC board, upon  
19 receipt of such plans and specifications for a project from the city,  
20 may enter into contracts on behalf of the city or the city school  
21 district, or both, for such project.

22 (b) Notwithstanding the provisions of any other general, special, or  
23 local law to the contrary, relating to the length, duration, and terms  
24 of contracts that the city or the city school district may enter into,  
25 the JSC board, on behalf of the city and the city school district, is  
26 hereby authorized and empowered to enter into contracts relating to  
27 projects undertaken pursuant to this act with any person, upon such  
28 terms and conditions and for such consideration and for such terms and  
29 duration, not to exceed thirty years, as may be agreed upon by the JSC  
30 board and such person, whereby such person is granted the right to  
31 design (pursuant to the plans and specifications delivered to it by the  
32 city), reconstruct, rehabilitate, finance or manage one or more projects  
33 in accordance with the design, plans, and specifications for such  
34 projects approved by the city school district, the commissioner and the  
35 city, as set forth in section five of this act. All such contracts shall  
36 comply with the provisions of section eight of this act.

37 (c) In the event the JSC board shall cease to exist for any reason  
38 whatsoever during the life of such contracts as it has entered into  
39 pursuant to this act, such contracts shall remain in full force and  
40 effect and the city and the city school district shall stand jointly in  
41 the place and stead of such JSC board with respect to all rights and  
42 obligations under such contracts and with respect to all powers granted  
43 to the JSC board by this act; provided, however, that such powers are  
44 exercised by the city and the city school district jointly and pursuant  
45 to their respective jurisdictions and the general laws applicable there-  
46 to, except as modified by this act.

47 § 9. (a) Notwithstanding the provisions of any general, special, or  
48 local law to the contrary, a contract entered into between the JSC board  
49 and any person pursuant to this act may be awarded either pursuant to  
50 public bidding in compliance with section 103 of the general municipal  
51 law or, in order to foster major investment in existing school buildings  
52 and to deliver quality products and services that are beneficial to the  
53 city and the city school district and the public they serve, pursuant to  
54 the following provisions of this act for the award of a contract based  
55 on evaluation of proposals submitted in response to a request for  
56 proposals prepared by or for the JSC board.

1 (b) Prior to the JSC board developing the requests for proposals, it  
2 shall consult with the comptroller and the commissioner in creating  
3 guidelines to be used by the JSC board in the preparation of individual  
4 requests for proposals. Such guidelines shall contain provisions requir-  
5 ing the compliance of the request for proposals with all applicable  
6 laws, rules and regulations.

7 (c) Prior to the issuance of a request for proposals pursuant to this  
8 act, the JSC board shall publish notice of such issuance in the official  
9 newspaper of the city, if any, and in at least one newspaper of general  
10 circulation. Concurrent with the publication of such notice, a draft  
11 request for proposals shall be filed with the JSC board. After allowing  
12 a thirty day comment period and an additional ten days to review such  
13 comments, the JSC board may publish the final request for proposals and  
14 concurrent with such publication shall publish notice of such issuance  
15 in the manner specified in this subdivision. Concurrent with the publi-  
16 cation of the final request for proposals, a set of comments filed in  
17 relation to the draft request for proposals and findings related to the  
18 substantive elements of such comments shall be filed along with the  
19 request for proposals with the JSC board and in the public library or  
20 libraries in proximity to the proposed project.

21 (d) The JSC board shall require that each proposal to be submitted  
22 shall include information relating to: (1) the background and experience  
23 of the person including any history of labor violations, and when appli-  
24 cable, the identity and experience of the person's general contractor,  
25 heating and plumbing contractor, electrical contractor, and design firm;  
26 (2) the ability of the person to secure adequate financing, if applica-  
27 ble, including the identification of the firm, if any, that will be used  
28 for financing the project; and (3) identification and specification of  
29 all elements of cost which would become a charge to the JSC board, the  
30 city school district or city, in whatever form, in return for the  
31 fulfillment by the person of all tasks and responsibilities established  
32 by the request for the proposal for the full lifetime of a proposed  
33 contract, including, as appropriate, but not limited to the costs,  
34 direct or indirect, relating to the project and such other information  
35 as the JSC board may determine to have a material bearing on its ability  
36 to evaluate any proposal.

37 (e) Proposals received in response to a request for proposals shall be  
38 evaluated by the JSC board, taking into account maximization of state  
39 building aid, as to net cost and in a manner consistent with the  
40 provisions set forth in the request for proposals, and may be evaluated  
41 on the basis of additional factors when applicable, including, but not  
42 limited to, quality and durability of materials, energy efficiency,  
43 facility design incorporating systems and approaches which provide maxi-  
44 mum facility value at the lowest possible cost for the reconstruction,  
45 rehabilitation, and equipping of such projects, and maximization of  
46 state building aid. In addition, evaluation of proposals received in  
47 response to a request for proposals for the position of program manager  
48 shall also include consideration of the criteria set forth in section  
49 nine of this act.

50 (f) The JSC board may make a contract award to any responsible person  
51 selected based on a determination by the JSC board that the selected  
52 proposal is most responsive to the request for proposals and may negoti-  
53 ate with any person; provided, however, that if an award is made to any  
54 person whose total proposal does not provide the lowest net cost, the  
55 JSC board shall adopt a resolution after a public hearing which includes  
56 particularized findings relevant to factors evaluated indicating that

1 the JSC board's requirements are met by such award and that such action  
2 is in the public interest.

3 § 10. Contracts. Notwithstanding the provisions of any general,  
4 special, or local law or judicial decision to the contrary:

5 (a) The JSC board may require a contractor awarded a contract, subcon-  
6 tract, lease, grant, bond, covenant or other agreement for a project to  
7 enter into a project labor agreement during and for the work involved  
8 with such project when such requirement is part of the JSC board's  
9 request for proposals for the project and when the JSC board determines  
10 that the record supporting the decision to enter into such an agreement  
11 establishes that it is justified by the interests underlying the compet-  
12 itive bidding laws.

13 (b) Any contract, subcontract, lease, grant, bond, covenant or other  
14 agreement for projects undertaken pursuant to this act shall not be  
15 subject to section 101 of the general municipal law when the JSC board  
16 has chosen to require a project labor agreement, pursuant to subdivision  
17 (a) of this section. This exemption shall only apply to the projects  
18 undertaken pursuant to this act and shall not apply to projects under-  
19 taken by any other school district or municipality unless otherwise  
20 specifically authorized.

21 (c) Notwithstanding any general, special, or local law or judicial  
22 decision to the contrary, whenever the JSC board enters into a contract,  
23 subcontract, lease, grant, bond, covenant or other agreement for the  
24 construction, reconstruction, demolition, excavation, rehabilitation,  
25 repair, renovation, alteration, or improvement for a project undertaken  
26 pursuant to this act, it shall be deemed to be a public works project  
27 for the purposes of article 8 of the labor law, and all the provisions  
28 of article 8 of the labor law shall be applicable to all the work  
29 involved with such project including the enforcement of prevailing wage  
30 requirements by the New York State department of labor.

31 (d) Every contract entered into by the JSC board for a project shall  
32 contain a provision that the design of such project shall be subject to  
33 the review and approval of the city school district and that the design  
34 and construction standards of such project shall be subject to the  
35 review and approval of the commissioner. In addition, every such  
36 contract shall contain a provision that the contractor shall furnish a  
37 labor and material bond guaranteeing prompt payment of moneys that are  
38 due to all persons furnishing labor and materials pursuant to the  
39 requirements of any contracts for a project undertaken pursuant to this  
40 act and a performance bond for the faithful performance of the project,  
41 which shall conform to the provisions of section 103-f of the general  
42 municipal law, and that a copy of such performance and payment bonds  
43 shall be kept by the city and shall be open to public inspection.

44 (e) For the purposes of article 15-A of the executive law, any person  
45 entering into a contract for a project authorized pursuant to this act  
46 shall be deemed a state agency as that term is defined in such article  
47 and such contracts shall be deemed state contracts within the meaning of  
48 that term as set forth in such article.

49 (f) Notwithstanding the provisions of this act or of any general or  
50 special law to the contrary, for any contract, subcontract, lease,  
51 grant, bond, covenant or other agreement for construction, recon-  
52 struction, demolition, excavation, rehabilitation, repair, renovation,  
53 alteration, or improvement with respect to each project undertaken  
54 pursuant to this act, the JSC board shall consider the financial and  
55 organizational capacity of contractors and subcontractors in relation to  
56 the magnitude of work they may perform, the record of performance of

1 contractors and subcontractors on previous work, the record of contrac-  
2 tors and subcontractors in complying with existing labor standards and  
3 maintaining harmonious labor relations, and the commitment of contrac-  
4 tors to work with minority and women owned business enterprises pursuant  
5 to article 15-A of the executive law through joint ventures or subcon-  
6 tractor relationships. The JSC board shall further require, on any  
7 contract for construction in excess of three million dollars with  
8 respect to any contract for construction, reconstruction, demolition,  
9 excavation, rehabilitation, repair, renovation, alteration, or improve-  
10 ment that each contractor and subcontractor shall participate in appren-  
11 tice training programs in the trades of work it employs that have been  
12 approved by the state department of labor for not less than three years.

13 § 11. (a) All contracts entered into by the JSC board for projects  
14 undertaken pursuant to this act shall be managed by an independent  
15 program manager. Selection of the program manager shall be pursuant to  
16 the competitive process established in section seven of this act. The  
17 program manager shall have experience in planning, designing, and  
18 constructing new and/or reconstructing existing school buildings, public  
19 facilities, commercial facilities, and/or infrastructure facilities, and  
20 in the negotiation and management of labor contracts and agreements,  
21 training programs, educational programs, and physical technological  
22 requirements for educational programs. The program manager shall manage  
23 all projects undertaken pursuant to this act, review project schedules,  
24 review payment schedules, prepare cost estimates and assess the safety  
25 programs of contractors and all training programs, if required. The  
26 program manager shall implement procedures for verification by it that  
27 all work for which payment has been requested has been satisfactorily  
28 completed.

29 (b) The program manager, and its affiliates or subsidiaries, if any,  
30 shall be prohibited from awarding contracts or being awarded contracts  
31 for or performing any work on projects undertaken pursuant to this act.

32 § 12. Notwithstanding any other provision of law, building aid that  
33 would otherwise be payable for the school district portion of expendi-  
34 tures for capital outlays and debt service for each project undertaken  
35 pursuant to the provisions of this act in accordance with subdivision 6  
36 of section 3602 of the education law, shall be paid to the city.

37 § 13. Notwithstanding any general, special, or local law or ordinance  
38 to the contrary, contracts entered into by the JSC board for projects  
39 undertaken pursuant to this act: (1) may be funded by certificates of  
40 participation issued by the city pursuant to this act; (2) may be  
41 installment purchased contracts; and (3) shall be subject to the  
42 provisions of section 109-b of the general municipal law, except for  
43 paragraph (a) of subdivision 3 of such section, subdivision 5 of such  
44 section, and paragraph (c) of subdivision 6 of such section, and except  
45 to the extent section 109-b of the general municipal law is inconsistent  
46 with the provisions of this act. All provisions with reference to  
47 installment purchase contracts or certificates of participation  
48 contained in section 109-b of the general municipal law, except any  
49 prohibition against using such installment purchase contracts or certif-  
50 icates of participation for the purposes set forth in this act, shall  
51 apply to installment purchase contracts or certificates of participation  
52 entered into or issued pursuant to the authority of this section of this  
53 act.

54 § 14. (a) Notwithstanding any other provision of any general, special,  
55 or local law or provision of this act to the contrary, any project  
56 undertaken pursuant to this act shall be operated and maintained by the

1 board of education of the city school district in the same manner as  
2 existing school buildings owned by the city are operated and maintained  
3 by such board.

4 (b) Notwithstanding any other provision of any general, special, or  
5 local law to the contrary, any project undertaken pursuant to the  
6 provisions of this act shall be exempt from all taxes (including sales  
7 and use taxes), special assessments, and special ad valorem levies and  
8 from the payment of any and all charges and rents for sewer systems,  
9 both while such project is being constructed and during its use by the  
10 city school district for school purposes.

11 § 15. Nothing in this act shall be construed to exempt a project  
12 undertaken pursuant to this act from the review and approval procedures  
13 applied to such projects by the state department of education when  
14 undertaken by the city school district pursuant to the education law.

15 § 16. (a) Notwithstanding any limitations contained in article 18-A of  
16 the general municipal law, including subdivisions 4, 12 and 13 of  
17 section 854 and section 926 of the general municipal law, a project  
18 undertaken pursuant to this act shall be a "project" within the defi-  
19 nition and for the purposes of subdivision 4 of section 854 of the  
20 general municipal law, which may be financed by the city of Syracuse  
21 industrial development agency or any successor agency thereto. In  
22 connection with the city of Syracuse industrial development agency  
23 financing the costs of any project undertaken pursuant to this act, the  
24 city and the city school district may grant a leasehold or license  
25 interest in the project and school building site constituting such  
26 project to the city of Syracuse industrial development agency. All  
27 contracts involving any such projects shall be awarded by the JSC board  
28 pursuant to the competitive process outlined in section seven of this  
29 act and shall comply with the provisions of section eight of this act.  
30 A project undertaken pursuant to this act may be financed through a  
31 special program agreement with the state of New York municipal bond bank  
32 agency pursuant to the provisions of section 2435-a of the public  
33 authorities law. It shall be the duty of the JSC board, the city school  
34 district and the city to compare the financing available for such  
35 projects through the city of Syracuse industrial development agency with  
36 financing available through the state of New York municipal bond bank  
37 agency, and to employ the financing mechanism that will result in the  
38 lowest cost to the taxpayers of the city and the state. It shall be the  
39 duty of the JSC board, the city school district, the city and the city  
40 of Syracuse industrial development agency to share with the state of New  
41 York municipal bond bank agency any information in their possession that  
42 is required by the state of New York municipal bond bank agency to  
43 determine the cost of financing such projects and to compute the inter-  
44 est rate that would have been applicable to a bond issuance by the state  
45 of New York municipal bond bank agency in the event that financing is  
46 obtained through the city of Syracuse industrial development agency.  
47 Any failure to provide such information within thirty days of receipt of  
48 a request from the state of New York municipal bond bank agency shall be  
49 deemed to be a failure of the city school district to submit the data  
50 needed to compute the apportionment of state building aid, and the  
51 commissioner shall withhold such apportionment until such information is  
52 fully submitted. Upon request of the city school district, the director  
53 of the state of New York municipal bond bank agency shall submit such  
54 reports as the commissioner may require on the financing of such  
55 projects and/or the interest rate that would have been applicable to  
56 such projects if they had been financed through such agency.

1 (b) In the event that the city or city school district shall fail to  
2 make a payment in such amount and by such date as is provided to be made  
3 by such city or city school district under agreements entered into with  
4 the city of Syracuse industrial development agency or any successor  
5 agency thereto pursuant to subdivision (a) of this section, such agency  
6 shall so certify to the state comptroller. Such certificate shall be in  
7 such form as the agency deems desirable, but shall specify the amount by  
8 which such payment shall have been deficient. The state comptroller,  
9 upon receipt of such certificate from the agency, shall withhold such  
10 amount from such city or city school district any state and/or school  
11 aid payable to such city or city school district to the extent of the  
12 amount so stated in such certificate as not having been made, and shall  
13 immediately pay over to the agency the amount so withheld. Any amount so  
14 paid to the agency from such state and/or school aid shall not obligate  
15 the state to make, nor entitle the city or the city school district to  
16 receive, any additional amounts of state and/or school aid. Nothing  
17 contained herein shall be deemed to prevent the state from modifying,  
18 reducing or eliminating any program or programs of state and/or school  
19 aid; nor shall the state be obligated by the terms hereof to maintain  
20 state and/or school aid at any particular level or amount. In the event  
21 that the city or city school district shall fail to make a payment in  
22 such amount and by such date as is provided to be made by such city or  
23 city school district under agreements entered into with the state of New  
24 York municipal bond bank agency pursuant to subdivision (a) of this  
25 section and section 2435-a of the public authorities law, such agency  
26 shall so certify to the state comptroller pursuant to subdivision 4 of  
27 section 2436 of the public authorities law and the state comptroller  
28 shall be authorized to withhold state aid pursuant to such section 2436  
29 and pay it over to such agency.

30 § 17. Clause (a) of subparagraph 5 of paragraph e of subdivision 6 of  
31 section 3602 of the education law, as amended by section 21 of part C of  
32 chapter 57 of the laws of 2004, is amended to read as follows:

33 (a) Calculation of interest rates for the city school districts of the  
34 cities of Buffalo, Rochester, Syracuse and Yonkers. (i) By the first day  
35 of September of the current year, or by the date prescribed by the  
36 commissioner for the two thousand one--two thousand two school year, the  
37 chief fiscal officer of each of the cities of Buffalo, Rochester, Syra-  
38 cuse and Yonkers shall provide to the commissioner an analysis, as  
39 prescribed by the commissioner, of the actual average interest rate  
40 applied to all capital debt incurred by such city related to school  
41 construction purposes during the base year not including debt issued by  
42 the dormitory authority for the benefit of any school district and of  
43 the estimated average interest rate applied to all capital debt to be  
44 incurred by such city related to school construction purposes during the  
45 current year not including debt issued by the dormitory authority for  
46 the benefit of any school district. Such interest rates shall be  
47 expressed as a decimal to five places rounded to the nearest eighth of  
48 one-one hundredth. Except as otherwise provided in (item] items (ii) and  
49 (iii) of this clause, the interest rate of such city applicable to the  
50 base year for the purposes of this subparagraph shall be the actual  
51 average interest rate of such city in the base year, and the estimated  
52 average interest rate shall be tentatively established as the interest  
53 rate of such city applicable to the current year, except that all appor-  
54 tionments of aid payable during the current year based on such estimated  
55 average interest rate shall be recalculated in the following year and  
56 adjusted as appropriate based on the appropriate actual average interest

1 rate then established pursuant to this clause provided, however, that in  
2 any year in which such city has not incurred debt related to serial  
3 bonds or sinking fund bonds as defined in sections 21.00 and 22.10,  
4 respectively, of the local finance law, issued for school construction  
5 purposes, the assumed interest rate calculated pursuant to clause (b) of  
6 this subparagraph shall be tentatively established as the interest rate  
7 of such city applicable to the projects approved by the commissioner in  
8 such year, except that all apportionments of aid payable based on such  
9 interest rate for each such project shall be recalculated following the  
10 submission of a final cost report for such project and adjusted as  
11 appropriate based on the appropriate actual average interest rate appli-  
12 cable to the debt issued to fund such project, and provided further that  
13 where such city has entered into an agreement with the dormitory author-  
14 ity of the state of New York to finance debt related to school  
15 construction that is subject to subparagraph four of this paragraph or  
16 has entered into an agreement with the dormitory authority of the state  
17 of New York for the purpose of financing a school construction project  
18 that is subject to subparagraph three of this paragraph, the interest  
19 rate applicable to the obligations issued by the dormitory authority of  
20 the state of New York for such purpose shall be the interest rate estab-  
21 lished for such city applicable to such debt.

22 (ii) Notwithstanding the provisions of item (i) of this clause, where  
23 such city has entered into an agreement with the state of New York  
24 municipal bond bank agency pursuant to subdivision one of section twen-  
25 ty-four hundred thirty-five-a of the public authorities law and subdivi-  
26 sion (b) of section sixteen of chapter six hundred five of the laws of  
27 two thousand, or an agreement with the Erie county industrial develop-  
28 ment agency for projects described in subdivision (b) of section sixteen  
29 of such chapter six hundred five, to finance debt related to school  
30 renovation, rehabilitation or reconstruction that is subject to subpara-  
31 graph three of this paragraph, the lesser of: (A) the interest rate  
32 actually applicable to the obligations issued by the state of New York  
33 municipal bond bank agency or by the Erie county industrial development  
34 agency for such purpose; or (B) the interest rate that would have been  
35 applicable to bonds issued by the state of New York municipal bond bank  
36 agency if the project had been financed through such agency, as certi-  
37 fied to the commissioner by the executive director of the state of New  
38 York municipal bond bank agency, shall be the interest rate established  
39 for such city applicable to such debt.

40 (iii) Notwithstanding the provisions of item (i) of this clause, where  
41 such city has entered into an agreement with the state of New York  
42 municipal bond bank agency pursuant to subdivision one of section twen-  
43 ty-four hundred thirty-five-a of the public authorities law and subdivi-  
44 sion (a) of section fourteen of the city of Syracuse and the board of  
45 education of the city school district of the city of Syracuse cooper-  
46 ative school reconstruction act, or an agreement with the city of Syra-  
47 cuse industrial development agency for projects authorized pursuant to  
48 the city of Syracuse and the board of education of the city school  
49 district of the city of Syracuse cooperative school reconstruction act,  
50 to finance debt related to school rehabilitation or reconstruction that  
51 is subject to subparagraph three of this paragraph, the lesser of: (A)  
52 the net interest cost as defined by the commissioner, applicable to the  
53 obligations issued by the state of New York municipal bond bank agency  
54 or the city of Syracuse industrial development agency for such purpose;  
55 or (B) such net interest cost, as defined by the commissioner that would  
56 have been applicable to bonds issued by the state of New York municipal



1 bond bank agency if the project had been authorized to be financed and  
2 had been financed through such entity, as certified to the commissioner  
3 by the executive director of the state of New York municipal bond bank  
4 agency shall be the interest rate established for such city applicable  
5 to such debt.

6 § 18. The opening paragraph of subdivision 6 of section 3602 of the  
7 education law, as separately amended by chapter 59 and section 7 of part  
8 A2 of chapter 62 of the laws of 2003, is amended to read as follows:

9 Appportionment for capital outlays and debt service for school building  
10 purposes. Any apportionment to a school district pursuant to this  
11 subdivision shall be based upon base year approved expenditures for  
12 capital outlays incurred prior to July first, two thousand one from its  
13 general fund, capital fund or reserved funds and current year approved  
14 expenditures for debt service, including debt service for refunding bond  
15 issues eligible for an apportionment pursuant to paragraph g of this  
16 subdivision and lease or other annual payments to the New York city  
17 educational construction fund created by article ten of this chapter or  
18 the city of Yonkers educational construction fund created by article  
19 ten-B of this chapter which have been pledged to secure the payment of  
20 bonds, notes or other obligations issued by the fund to finance the  
21 construction, acquisition, reconstruction, rehabilitation or improvement  
22 of the school portion of combined occupancy structures, or for lease or  
23 other annual payments to the New York state urban development corpo-  
24 ration created by chapter one hundred seventy-four of the laws of nine-  
25 teen hundred sixty-eight, pursuant to agreement between such school  
26 district and such corporation relating to the construction, acquisition,  
27 reconstruction, rehabilitation or improvement of any school building, or  
28 for annual payments to the dormitory authority pursuant to any lease,  
29 sublease or other agreement relating to the financing, refinancing,  
30 acquisition, design, construction, reconstruction, rehabilitation,  
31 improvement, furnishing and equipping of, or otherwise provide for  
32 school district capital facilities or school district capital equipment  
33 made under the provisions of section sixteen hundred eighty of the  
34 public authorities law, or for annual payments pursuant to any lease,  
35 sublease or other agreement relating to the financing, refinancing,  
36 acquisition, design, construction, reconstruction, rehabilitation,  
37 improvement, furnishing and equipping of, or otherwise providing for  
38 educational facilities of a city school district under the provisions of  
39 section sixteen of chapter six hundred five of the laws of two thousand,  
40 for annual payments pursuant to any lease, sublease or other agreement  
41 relating to the financing, refinancing, design, reconstruction, rehabil-  
42 itation, improvement, furnishing and equipping of, or otherwise provid-  
43 ing for projects authorized pursuant to the city of Syracuse and the  
44 board of education of the city school district of the city of Syracuse  
45 cooperative school reconstruction act, or for lease, lease-purchase or  
46 other annual payments to another school district or person, partnership  
47 or corporation pursuant to an agreement made under the provisions of  
48 section four hundred three-b, subdivision eight of section twenty-five  
49 hundred three, or subdivision six of section twenty-five hundred fifty-  
50 four of this chapter, provided that the apportionment for such lease or  
51 other annual payments under the provisions of section four hundred  
52 three-b, subdivision eight of section twenty-five hundred three, or  
53 subdivision six of section twenty-five hundred fifty-four of this chap-  
54 ter, other than payments under a lease-purchase agreement or an equiv-  
55 alent agreement, shall be based upon approved expenditures in the  
56 current year. Approved expenditures for capital outlays from a school

1 district's general fund, capital fund or reserved funds that are  
2 incurred on or after July first, two thousand two, and are not aidable  
3 pursuant to subdivision six-f of this section, shall be aidable as debt  
4 service under an assumed amortization established pursuant to paragraphs  
5 e and j of this subdivision. In any such case approved expenditures  
6 shall be only for new construction, reconstruction, purchase of existing  
7 structures, for site purchase and improvement, for new garages, for  
8 original equipment, furnishings, machinery, or apparatus, and for  
9 professional fees and other costs incidental to such construction or  
10 reconstruction, or purchase of existing structures. In the case of a  
11 lease or lease-purchase agreement entered pursuant to section four  
12 hundred three-b, subdivision eight of section twenty-five hundred three  
13 or subdivision six of section twenty-five hundred fifty-four of this  
14 chapter, approved expenditures for the lease or other annual payments  
15 shall not include the costs of heat, electricity, water or other utili-  
16 ties or the costs of operation or maintenance of the leased facility. An  
17 apportionment shall be available pursuant to this subdivision for  
18 construction, reconstruction, rehabilitation or improvement in a build-  
19 ing, or portion thereof, being leased by a school district only if the  
20 lease is for a term of at least ten years subsequent to the date of the  
21 general construction contract for such construction, reconstruction,  
22 rehabilitation or improvement. Each school district shall prepare a five  
23 year capital facilities plan, pursuant to regulations developed by the  
24 commissioner for such purpose, provided that in the case of a city  
25 school district in a city having a population of one million inhabitants  
26 or more, such facilities plan shall comply with the provisions of  
27 section twenty-five hundred ninety-p of this chapter and this subdivi-  
28 sion. Such plan shall include, but not be limited to, a building inven-  
29 tory, and estimated expense of facility needs, for new construction,  
30 additions, alterations, reconstruction, major repairs, energy consump-  
31 tion and maintenance by school building, as appropriate. Such five year  
32 plan shall include a priority ranking of projects and shall be amended  
33 if necessary to reflect subsequent on-site evaluations of facilities  
34 conducted by state supported contractors.

35 § 19. On January 15, 2007 and annually thereafter, until completion of  
36 the seven projects authorized pursuant to this act, the JSC board shall  
37 issue a report to the governor, the comptroller, the commissioner, the  
38 temporary president of the senate, the speaker of the assembly, the  
39 city, the common council and the city school district on the progress  
40 and status of the projects undertaken by the JSC board. Provided  
41 further, that if any such entities request information on the progress  
42 and status of the projects prior to such report, it shall be provided to  
43 such entities by the JSC board.

44 In addition, on or before June 30, 2014 or upon the completion of the  
45 seven projects authorized pursuant to this act, whichever shall first  
46 occur, the JSC board shall issue a report to the city, the city school  
47 district, the governor, the commissioner, the comptroller, the temporary  
48 president of the senate, the minority leader of the senate, the speaker  
49 of the assembly, the minority leader of the assembly, the state board of  
50 regents, and the chairs and ranking minority members of the New York  
51 state senate and assembly committees on education, the finance committee  
52 of the New York state senate, and the ways and means committee of the  
53 New York state assembly. Such report shall identify the fiscal and peda-  
54 gogical results of the projects undertaken pursuant to this act, along  
55 with recommendations for its continuance, amendments, or discontinuance.

1 § 20. Insofar as the provisions of this act are inconsistent with the  
2 provisions of any other law, general, special, or local, or of the city  
3 charter or an ordinance or resolution of the city, or any rule or regu-  
4 lation, the provisions of this act shall be controlling, provided that  
5 nothing contained in this act shall be held to supplement or otherwise  
6 expand the powers or duties of the city or the city school district  
7 except as specified herein.

8 § 21. Subdivision 12 of section 2432 of the public authorities law,  
9 as added by chapter 166 of the laws of 1991, is amended to read as  
10 follows:

11 (12) "Special Program Municipality". Any city having a population of  
12 less than one million but more than three hundred fifty thousand; and  
13 any city having a population of less than two hundred fifty thousand but  
14 more than two hundred thousand, determined according to the federal  
15 decennial census of nineteen hundred eighty. Such term shall also  
16 include the city of Syracuse solely for the purpose of the city of Syra-  
17 cuse and the board of education of the city school district of the city  
18 of Syracuse cooperative school reconstruction act.

19 § 22. Subdivision 1 of section 2435-a of the public authorities law,  
20 as amended by chapter 59 of the laws of 2003, is amended to read as  
21 follows:

22 (1) In order to fulfill the purposes of this title and to provide a  
23 means by which the special program municipalities may (a) receive moneys  
24 to refund certain property taxes determined to be in excess of state  
25 constitutional tax limits or to reimburse the special program muni-  
26 cipalities for the prior refunding of such taxes or (b) receive moneys to  
27 be applied to the cost of settling litigation involving the city school  
28 districts of special program municipalities and the teachers' unions in  
29 such special program municipalities, or (c) receive moneys for the  
30 financing of public improvements to be applied to the cost of the recon-  
31 struction, rehabilitation or renovation of an educational facility  
32 pursuant to the provisions of subdivision (b) of section sixteen of  
33 chapter six hundred five of the laws of two thousand, or (d) receive  
34 moneys for the financing of public improvements to be applied to the  
35 cost of a project for design, reconstruction or rehabilitation of a  
36 school building pursuant to the provisions of section fourteen of the  
37 city of Syracuse and the board of education of the city school district  
38 of the city of Syracuse cooperative school reconstruction act, and  
39 notwithstanding any general or special law to the contrary, the agency  
40 and each special program municipality are hereby authorized to enter  
41 into one or more special program agreements, which special program  
42 agreements shall, consistent with the provisions of this title, contain  
43 such terms, provisions and conditions as, in the judgment of the agency,  
44 shall be necessary or desirable. Each special program agreement shall  
45 specify the amount to be made available to the respective special  
46 program municipality from the proceeds of an issue of special program  
47 bonds and shall require such special program municipality, subject to  
48 appropriation by the appropriate legislative body of such special  
49 program municipality, to make payments to the agency in the amounts and  
50 at the times determined by the agency to be necessary to provide for  
51 payment of such issue of special program bonds and such other fees,  
52 charges, costs and other amounts as the agency shall in its judgment  
53 determine to be necessary or desirable.

54 § 23. Subdivision 4 of section 2436 of the public authorities law, as  
55 amended by chapter 59 of the laws of 2003, is amended to read as  
56 follows:

1 4. In the event that a special program municipality shall fail to make  
2 a payment in such amount (as calculated in accordance with the special  
3 program agreement to which such municipality shall be a party) and by  
4 such date as is provided to be made by such municipality in its special  
5 program agreement, the chairman of the agency shall so certify to the  
6 comptroller. Such certificate shall be in such form as the agency deems  
7 desirable, but shall specify the amount by which such payment shall have  
8 been deficient. The comptroller, upon receipt of such certificate from  
9 the agency, shall withhold from such special program municipality any  
10 state aid payable to such municipality to the extent of the amount so  
11 stated in such certificate as not having been made, and shall immediate-  
12 ly pay over to the agency the amount so withheld; provided, however,  
13 that in the case of a special program agreement entered into for the  
14 purpose described in paragraph (b) or (c) or (d) of subdivision one of  
15 section twenty-four hundred thirty-five-a of this title, the comptroller  
16 shall be authorized to withhold from the special program municipality  
17 such school aid as is payable to the city school district of the special  
18 program municipality, to the extent of the amount so stated in such  
19 certificate as not having been made, and shall immediately pay over to  
20 the agency the amount so withheld. Any amount so paid to the agency from  
21 such state and/or school aid shall not obligate the state to make, nor  
22 entitle the special program municipality to receive, any additional  
23 amounts of state and/or school aid. Nothing contained therein shall be  
24 deemed to prevent the state from modifying, reducing or eliminating any  
25 program or programs of state and/or school aid; nor shall the state be  
26 obligated by the terms hereof to maintain state and/or school aid at any  
27 particular level or amount.

28 § 24. Subdivision 1 of section 2438 of the public authorities law, as  
29 amended by chapter 59 of the laws of 2003, is amended to read as  
30 follows:

31 (1) The agency shall not issue bonds and notes in an aggregate princi-  
32 pal amount at any one time outstanding exceeding one billion dollars,  
33 excluding tax lien collateralized securities, special school purpose  
34 bonds, special school deficit program bonds, special program bonds  
35 issued to finance the reconstruction, rehabilitation or renovation of an  
36 educational facility pursuant to the provisions of subdivision (b) of  
37 section sixteen of chapter six hundred five of the laws of two thousand,  
38 special program bonds issued to finance the cost of a project for  
39 design, reconstruction or rehabilitation of a school building pursuant  
40 to the provisions of section fourteen of the city of Syracuse and the  
41 board of education of the city school district of the city of Syracuse  
42 cooperative school reconstruction act and bonds and notes issued to  
43 refund outstanding bonds and notes.

44 § 25. If any clause, sentence, paragraph, section or part of this act  
45 shall be adjudged by any court of competent jurisdiction to be invalid,  
46 such judgment shall not affect, impair or invalidate the remainder ther-  
47 eof, but shall be confined in its operation to the clause, sentence,  
48 paragraph, section or part thereof directly involved in that controversy  
49 in which such judgment shall have been rendered.

50 § 26. This act shall take effect immediately and shall be deemed to  
51 have been in full force and effect on and after April 1, 2006, and shall  
52 apply to contracts entered into on behalf of school districts and boards  
53 of cooperative educational services on and after such date; provided,  
54 however, that:

55 1. section one of this act shall be deemed to have been in full force  
56 and effect on and after July 1, 2006, and shall apply to contracts

1 entered into on behalf of school districts and boards of cooperative  
2 educational services on and after such date; and  
3 2. section two of this act shall be deemed to have been in full force  
4 and effect on and after the effective date of section 101 of chapter 436  
5 of the laws of 1997.

6

## PART A-5

7 Section 1. Paragraph d of subdivision 15 of section 3602 of the  
8 education law, as amended by section 29 of part C of chapter 57 of the  
9 laws of 2004, is amended to read as follows:

10 d. Notwithstanding any inconsistent provisions of this article, if  
11 such city school district elected to receive operating aid payable in  
12 the two thousand--two thousand one school year under the provisions of  
13 this subdivision, approved transportation expense for public service  
14 transportation for transportation aid payable in the [two thousand four-  
15 -two thousand five] two thousand six--two thousand seven school year  
16 shall not include any expenditures to the New York City Metropolitan  
17 Transportation Authority for public service transportation during the  
18 [two thousand three--two thousand four] two thousand five--two thousand  
19 six school year nor shall such expense be included in approved operating  
20 expense.

21 § 2. Intentionally omitted.

22 § 3. Section 273 of the education law is amended by adding two new  
23 subdivisions 11 and 12 to read as follows:

24 11. Notwithstanding any other provision of law to the contrary, each  
25 year commencing with the two thousand six calendar year, no library or  
26 library system shall receive less aid pursuant to this section or  
27 section two hundred seventy-one or two hundred seventy-two of this part  
28 than it would have been eligible to receive for the two thousand one  
29 calendar year solely by reason of a decrease in the population of the  
30 area served as a result of the latest approved federal census.

31 12. The commissioner is hereby authorized to expend in state fiscal  
32 year two thousand six--two thousand seven three million dollars for  
33 formula grants to public library systems, reference and research library  
34 resources systems, and school library systems operating under an  
35 approved plan of service. Such formula grants shall be provided for the  
36 period commencing July first and ending on June thirtieth next follow-  
37 ing. Such formula grants will be distributed in the following manner:

38 a. Each public library system established pursuant to sections two  
39 hundred fifty-five and two hundred seventy-two of this part and operat-  
40 ing under a plan approved by the commissioner is entitled to receive  
41 fifteen thousand dollars and an amount equal to four percent of the  
42 amount of state aid received by such system in two thousand six--two  
43 thousand seven under paragraphs a, c, d, e and n of subdivision one of  
44 this section;

45 b. Each reference and research library resources system established  
46 pursuant to section two hundred seventy-two of this part and operating  
47 under a plan approved by the commissioner is entitled to receive fifteen  
48 thousand dollars and an amount equal to four percent of the amount of  
49 state aid received by such system in two thousand six--two thousand  
50 seven under paragraph a of subdivision four of this section; and

51 c. Each school library system established pursuant to section two  
52 hundred eighty-two of this part and operating under a plan approved by  
53 the commissioner is entitled to receive fifteen thousand dollars and an  
54 amount equal to a four percent increase over the amount of state aid



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[Bill / Floor Vote Search](#)

[New York State Laws](#)

[Legislative Calendar](#)

[Public Hearing Schedules](#)

[Assembly Calendars](#)

[Assembly Committee Agenda](#)

**S03435 Summary:**

BILL NO S03435C

SAME AS SAME AS [A04772-C](#)

SPONSOR DEFRANCISCO

COSPNSR AVELLA, VALESKY

MLTSPNSR

Amd Chap 58 of 2006, generally

Amends the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" in relation to the powers and duties of the joint schools construction board of the city of Syracuse and the city school district.

[Go to top](#)

**S03435 Actions:**

BILL NO S03435C

02/01/2013 REFERRED TO EDUCATION

02/15/2013 AMEND AND RECOMMIT TO EDUCATION

02/15/2013 PRINT NUMBER 3435A

04/15/2013 AMEND AND RECOMMIT TO EDUCATION

04/15/2013 PRINT NUMBER 3435B

04/30/2013 REPORTED AND COMMITTED TO FINANCE

05/06/2013 AMEND AND RECOMMIT TO FINANCE

05/06/2013 PRINT NUMBER 3435C

05/21/2013 1ST REPORT CAL.653

05/22/2013 2ND REPORT CAL.

05/23/2013 ADVANCED TO THIRD READING

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A04772 AMEND=C Magnarelli (MS)

02/08/2013 referred to education

02/15/2013 amend and recommit to education

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[Go to top](#)

Page display time = 0.0693 sec

## S T A T E O F N E W Y O R K

3435--C

2013-2014 Regular Sessions

I N S E N A T E

February 1, 2013

Introduced by Sens. DeFRANCISCO, AVELLA, VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", in relation to the powers and duties of the joint schools construction board of the city of Syracuse and the city school district

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions (f), (h) and (j) of section 4 of part A-4 of  
2 chapter 58 of the laws of 2006 enacting the "city of Syracuse and the  
3 board of education of the city school district of the city of Syracuse  
4 cooperative school reconstruction act" are amended to read as follows:  
5 (f) ["JSC board" shall mean the joint schools construction board of  
6 the city and the city school district as set forth in an agreement,  
7 dated as of April 1, 2004, between the city school district and the city  
8 as such agreement may be from time to time amended or supplemented,  
9 acting as agent for the city, school district, or both] "JSC BOARD"  
10 SHALL MEAN THE JOINT SCHOOLS CONSTRUCTION BOARD OF THE CITY AND THE CITY  
11 SCHOOL DISTRICT ESTABLISHED TO ADMINISTER, MANAGE, DESIGN, RENOVATE AND  
12 EFFECT THE FINANCING OF EXISTING PUBLIC SCHOOLS WITHIN THE SYRACUSE CITY  
13 SCHOOL DISTRICT. SUCH BOARD SHALL CONSIST OF THE MAYOR OF THE CITY OF  
14 SYRACUSE AND TWO ADDITIONAL MEMBERS DESIGNATED BY THE MAYOR WHO SHALL  
15 SERVE AT THE PLEASURE OF THE MAYOR FOR A TERM NOT EXCEEDING ONE YEAR,  
16 THE SUPERINTENDENT OF THE SYRACUSE CITY SCHOOL DISTRICT AND TWO ADDI-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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S. 3435--C

2

1 TIONAL MEMBERS DESIGNATED BY THE SUPERINTENDENT WHO SHALL SERVE AT THE  
2 PLEASURE OF THE SUPERINTENDENT FOR A TERM NOT EXCEEDING ONE YEAR, AND A  
3 SEVENTH MEMBER, NOT EMPLOYED BY THE CITY OR THE SCHOOL DISTRICT, JOINTLY  
4 DESIGNATED BY THE MAYOR AND THE SUPERINTENDENT WHO SHALL SERVE AT THE  
5 PLEASURE OF THE MAYOR AND THE SUPERINTENDENT FOR A TERM NOT EXCEEDING  
6 ONE YEAR. TO ENSURE FLEXIBILITY AND CONTINUITY, THE MAYOR AND/OR THE  
7 SUPERINTENDENT MAY FROM TIME TO TIME DESIGNATE AND AUTHORIZE THEIR CHIEF  
8 OF STAFF, CHIEF FINANCIAL OFFICER, OR OTHER DESIGNEE, TO ATTEND AND VOTE

9 IN THEIR STEAD.

10 (h) "Project" shall mean work at an existing school building site that  
 11 involves the design, reconstruction, or rehabilitation of an existing  
 12 school building for its continued use as a school of the city school  
 13 district, which may include an addition to an existing school building  
 14 for such continued use at a cost, for such addition, of, FOR PROJECTS  
 15 IDENTIFIED IN SUBDIVISION (A) OF SECTION FIVE OF THIS ACT, no more than  
 16 nine million dollars, AND, FOR PROJECTS IDENTIFIED IN SUBDIVISION (B) OF  
 17 SECTION FIVE OF THIS ACT, NO MORE THAN TWENTY MILLION DOLLARS, and which  
 18 also may include (1) the construction or reconstruction of athletic  
 19 fields, playgrounds, and other recreational facilities for such existing  
 20 school building, and/or (2) the acquisition and installation of all  
 21 equipment necessary and attendant to and for the use of such existing  
 22 school building AND/OR THE ACQUISITION OF ADDITIONAL REAL PROPERTY  
 23 NECESSARY FOR THE PROJECT.

24 (j) "Program manager" shall mean an independent program management  
 25 firm hired by the JSC board to assist it in: (1) developing and imple-  
 26 menting procedures for the projects undertaken and contracted for by the  
 27 JSC board; (2) reviewing plans and specifications for projects; (3)  
 28 developing and implementing policies and procedures to utilize employ-  
 29 ment resources to provide sufficient skilled employees for such  
 30 projects, including developing and implementing training programs, if  
 31 required; [and] (4) managing such projects IF REQUIRED BY THE JSC BOARD;  
 32 (5) DEVELOPING AND MANAGING A FINANCIAL PLAN TO MAXIMIZE THE EFFICIENT  
 33 USE OF STATE BUILDING AID; AND (6) MANAGING THE PROJECT BUDGET.  
 34 PROVIDED, HOWEVER THAT THE CITY AND THE CITY SCHOOL DISTRICT ACTING  
 35 THROUGH THE JSC BOARD MAY HIRE OR RETAIN ONE OR MORE EMPLOYEES TO  
 36 PERFORM SOME OR ALL OF THE AFOREMENTIONED PROGRAM MANAGEMENT FUNCTIONS.

37 S 2. Section 5 of part A-4 of chapter 58 of the laws of 2006 enacting  
 38 the "city of Syracuse and the board of education of the city school  
 39 district of the city of Syracuse cooperative school reconstruction act"  
 40 is amended to read as follows:

41 S 5. (A) No more than seven projects, one each at the Central High  
 42 School, the Blodgett School, the Shea Middle School, the H.W. Smith  
 43 Elementary School, the Clary Middle School, the Dr. Weeks Elementary  
 44 School and the Fowler High School, up to a total cost of two hundred  
 45 twenty-five million dollars; AND (B) NO MORE THAN TWENTY PROJECTS AT  
 46 LOCATIONS TO BE DETERMINED BY THE CITY SCHOOL DISTRICT AND APPROVED BY  
 47 THE JSC BOARD, UP TO A TOTAL COST OF THREE HUNDRED MILLION DOLLARS,  
 48 shall be authorized and undertaken pursuant to this act, unless other-  
 49 wise authorized by law.

50 S 3. Sections 6 and 7 of part A-4 of chapter 58 of the laws of 2006  
 51 enacting the "city of Syracuse and the board of education of the city  
 52 school district of the city of Syracuse cooperative school recon-  
 53 struction act" are amended to read as follows:

54 S 6. (1) Before formal selection of the projects IDENTIFIED IN SUBDI-  
 55 VISION (A) OF SECTION FIVE OF THIS ACT occurs, the JSC board shall  
 56 develop a comprehensive plan recommending and outlining the projects it  
 S. 3435--C 3

1 proposes to be potentially undertaken pursuant to this act. Such plan  
 2 shall include: (a) an estimate of total costs to be financed, proposed  
 3 financing plan, proposed method of financing, terms and conditions of  
 4 the financing, estimated financing costs, and, if city general obli-  
 5 gation bonds or notes are not proposed as the method of financing, a  
 6 comparison of financing costs between such bonds or notes and the  
 7 proposed method of financing. The plan should also address what specific  
 8 options would be used to ensure that sufficient resources exist to cover  
 9 the local share of any such project cost on an annual basis; (b) infor-  
 10 mation concerning the potential persons to be involved in the financing



11 and such person's role and responsibilities; (c) estimates on the  
 12 design, reconstruction and rehabilitation costs by project, any adminis-  
 13 trative costs for potential projects, and an outline of the time-frame  
 14 expected for completion of each potential project; (d) a detailed  
 15 description of the request for proposals process and an outline of the  
 16 criteria to be used for selection of the program manager and all  
 17 contractors; (e) any proposed amendments to the city school district's  
 18 five year capital facilities plan submitted in accordance with subdivi-  
 19 sion 6 of section 3602 of the education law and the regulations of the  
 20 commissioner; and (f) a diversity plan, in compliance with subdivision  
 21 [(e)] (B) of section eight of this act, to develop diversity goals,  
 22 including appropriate community input and public discussion, and develop  
 23 strategies that would create and coordinate any efforts to ensure a more  
 24 diverse workforce for the projects. The diversity plan should address  
 25 accountability for attainment of the diversity goals, what forms of  
 26 monitoring would be used, and how such information would be publicly  
 27 communicated.

28 Prior to the development of the comprehensive plan, the JSC board  
 29 shall hold as many public hearings as may be necessary to ensure suffi-  
 30 cient public input and allow for significant public discussion on the  
 31 school building needs in such city, with at least one hearing to be held  
 32 in each neighborhood potentially impacted by a proposed project.

33 The JSC board shall submit the components of such comprehensive plan  
 34 outlined in [subdivision] PARAGRAPH (a) of SUBDIVISION ONE OF this  
 35 section to the comptroller, along with any other information requested  
 36 by the comptroller, for his or her review and approval.

37 (2) BEFORE FORMAL SELECTION OF THE PROJECTS PURSUANT TO SUBDIVISION  
 38 (B) OF SECTION FIVE OF THIS ACT OCCURS, THE CITY SCHOOL DISTRICT SHALL  
 39 PROVIDE TO THE JSC BOARD A COMPREHENSIVE DRAFT PLAN RECOMMENDING AND  
 40 OUTLINING THE PROJECTS IT PROPOSES TO BE POTENTIALLY UNDERTAKEN PURSUANT  
 41 TO THIS ACT. SUCH PLAN WILL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE  
 42 JSC BOARD AND SHALL INCLUDE: (A) AN ESTIMATE OF TOTAL COSTS TO BE  
 43 FINANCED, PROPOSED FINANCING PLAN, PROPOSED METHOD OF FINANCING, TERMS  
 44 AND CONDITIONS OF THE FINANCING, ESTIMATED FINANCING COSTS, AND, IF CITY  
 45 GENERAL OBLIGATION BONDS OR NOTES ARE NOT PROPOSED AS THE METHOD OF  
 46 FINANCING, A COMPARISON OF FINANCING COSTS BETWEEN SUCH BONDS OR NOTES  
 47 AND THE PROPOSED METHOD OF FINANCING. THE PLAN SHOULD ALSO ADDRESS WHAT  
 48 SPECIFIC OPTIONS WOULD BE USED TO ENSURE THAT SUFFICIENT RESOURCES EXIST  
 49 TO COVER THE LOCAL SHARE OF ANY SUCH PROJECT COST ON AN ANNUAL BASIS;  
 50 (B) INFORMATION CONCERNING THE POTENTIAL PERSONS TO BE INVOLVED IN THE  
 51 FINANCING AND SUCH PERSON'S ROLE AND RESPONSIBILITIES; (C) ESTIMATES ON  
 52 THE DESIGN, RECONSTRUCTION AND REHABILITATION COSTS BY PROJECT, ANY  
 53 ADMINISTRATIVE COSTS FOR POTENTIAL PROJECTS, AND AN OUTLINE OF THE  
 54 TIME-FRAME EXPECTED FOR COMPLETION OF EACH POTENTIAL PROJECT; (D) A  
 55 DETAILED DESCRIPTION OF THE REQUEST FOR PROPOSALS PROCESS AND AN OUTLINE  
 56 OF THE CRITERIA TO BE USED FOR SELECTION OF THE PROGRAM MANAGER AND ALL  
 S. 3435--C

4

1 CONTRACTORS; (E) ANY PROPOSED AMENDMENTS TO THE CITY SCHOOL DISTRICT'S  
 2 FIVE YEAR CAPITAL FACILITIES PLAN SUBMITTED IN ACCORDANCE WITH SUBDIVI-  
 3 SION 6 OF SECTION 3602 OF THE EDUCATION LAW AND THE REGULATIONS OF THE  
 4 COMMISSIONER; AND (F) A DIVERSITY PLAN, IN COMPLIANCE WITH SUBDIVISION  
 5 (B) OF SECTION EIGHT OF THIS ACT, TO DEVELOP DIVERSITY GOALS, INCLUDING  
 6 APPROPRIATE COMMUNITY INPUT AND PUBLIC DISCUSSION, AND DEVELOP STRATE-  
 7 GIES THAT WOULD CREATE AND COORDINATE ANY EFFORTS TO ENSURE A MORE  
 8 DIVERSE WORKFORCE FOR THE PROJECTS. THE DIVERSITY PLAN SHOULD ADDRESS  
 9 ACCOUNTABILITY FOR ATTAINMENT OF THE DIVERSITY GOALS, WHAT FORMS OF  
 10 MONITORING WOULD BE USED, AND HOW SUCH INFORMATION WOULD BE PUBLICLY  
 11 COMMUNICATED.

12 AS PART OF THE DEVELOPMENT OF THE COMPREHENSIVE PLAN, THE SCHOOL

13 DISTRICT SHALL HOLD AS MANY PUBLIC HEARINGS AS MAY BE NECESSARY TO  
 14 ENSURE SUFFICIENT PUBLIC INPUT AND ALLOW FOR SIGNIFICANT PUBLIC  
 15 DISCUSSION ON THE SCHOOL BUILDING NEEDS IN SUCH CITY, WITH AT LEAST ONE  
 16 HEARING TO BE HELD IN EACH NEIGHBORHOOD POTENTIALLY IMPACTED BY A  
 17 PROPOSED PROJECT.

18 THE JSC BOARD SHALL SUBMIT THE COMPONENTS OF SUCH COMPREHENSIVE PLAN  
 19 OUTLINED IN PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION TO THE  
 20 COMPTROLLER, ALONG WITH ANY OTHER INFORMATION REQUESTED BY THE COMP-  
 21 TROLLER, FOR HIS OR HER REVIEW AND APPROVAL.

22 S 7. (A) Notwithstanding any general, special or local law to the  
 23 contrary and upon approval by the comptroller pursuant to section [four]  
 24 SIX of this act, the city school district may select projects, PURSUANT  
 25 TO SUBDIVISION (A) OF SECTION FIVE OF THIS ACT to be undertaken pursuant  
 26 to this act, as provided for in such approved comprehensive plan. After  
 27 the city school district has selected a new project and plans and spec-  
 28 ifications for such project have been prepared and approved by the city  
 29 school district, which are consistent with the approved comprehensive  
 30 plan, the city school district shall deliver such plans and specifica-  
 31 tions to the city, for approval by such city, acting through the common  
 32 council, and after the common council has approved such plans and spec-  
 33 ifications, the city shall deliver them to the commissioner for his or  
 34 her approval. After approval by the commissioner, the plans and spec-  
 35 ifications shall be returned to the city school district and such  
 36 district shall then deliver them to the JSC board. All such specifica-  
 37 tions shall detail the number of students the completed project is  
 38 intended to serve, the site description, the types of subjects to be  
 39 taught, the types of activities for school, recreational, social, safe-  
 40 ty, or other purposes intended to be incorporated in the school building  
 41 or on its site and such other information as the city school district,  
 42 the city, the common council, and the commissioner shall deem necessary  
 43 or advisable.

44 (B) NOTWITHSTANDING ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY  
 45 AND UPON APPROVAL BY THE COMPTROLLER PURSUANT TO SECTION SIX OF THIS  
 46 ACT, THE CITY SCHOOL DISTRICT MAY SELECT PROJECTS, PURSUANT TO SUBDIVI-  
 47 SION (B) OF SECTION FIVE OF THIS ACT TO BE UNDERTAKEN PURSUANT TO THIS  
 48 ACT, AS PROVIDED FOR IN SUCH APPROVED COMPREHENSIVE PLAN. AFTER THE CITY  
 49 SCHOOL DISTRICT HAS SELECTED A NEW PROJECT AND PLANS AND SPECIFICATIONS  
 50 FOR SUCH PROJECT HAVE BEEN PREPARED AND APPROVED BY THE CITY SCHOOL  
 51 DISTRICT IN CONSULTATION WITH THE CITY ENGINEER, WHICH ARE CONSISTENT  
 52 WITH THE APPROVED COMPREHENSIVE PLAN, THE CITY SCHOOL DISTRICT SHALL  
 53 DELIVER SUCH PLANS AND SPECIFICATIONS TO THE COMMISSIONER FOR HIS OR HER  
 54 APPROVAL. AFTER APPROVAL BY THE COMMISSIONER, THE PLANS AND SPECIFICA-  
 55 TIONS SHALL BE DELIVERED TO THE JSC BOARD. ALL SUCH SPECIFICATIONS SHALL  
 56 DETAIL THE NUMBER OF STUDENTS THE COMPLETED PROJECT IS INTENDED TO  
 S. 3435--C 5

1 SERVE, THE SITE DESCRIPTION, THE TYPES OF SUBJECTS TO BE TAUGHT, THE  
 2 TYPES OF ACTIVITIES FOR SCHOOL, RECREATIONAL, SOCIAL, SAFETY, OR OTHER  
 3 PURPOSES INTENDED TO BE INCORPORATED IN THE SCHOOL BUILDING OR ON ITS  
 4 SITE AND SUCH OTHER INFORMATION AS THE CITY SCHOOL DISTRICT, THE CITY  
 5 ENGINEER, AND THE COMMISSIONER SHALL DEEM NECESSARY OR ADVISABLE.

6 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IF THE  
 7 TOTAL PROJECT COST ASSOCIATED WITH THE PROJECTS AUTHORIZED PURSUANT TO  
 8 SUBDIVISION (B) OF SECTION FIVE OF THIS ACT EXCEEDS THE ESTIMATED TOTAL  
 9 PROJECT COST OF 300 MILLION DOLLARS, THEN THE JSC BOARD SHALL REPORT  
 10 SUCH INFORMATION, ALONG WITH EXPLANATORY DOCUMENTATION REGARDING THE  
 11 INCREASE IN COST, TO THE GOVERNOR, THE NEW YORK STATE COMPTROLLER, THE  
 12 COMMISSIONER, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF  
 13 THE ASSEMBLY.

14 (D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE

15 JSC BOARD SHALL SUBMIT ESTIMATED PROJECT COSTS FOR THE PROJECTS AUTHOR-  
 16 IZED PURSUANT TO SUBDIVISION (B) OF SECTION FIVE OF THIS ACT AFTER THE  
 17 COMPLETION OF SCHEMATIC PLANS AND SPECIFICATIONS FOR REVIEW BY THE  
 18 COMMISSIONER. IF THE TOTAL PROJECT COSTS ASSOCIATED WITH SUCH PROJECTS  
 19 EXCEED THE SUM OF THE ESTIMATED INDIVIDUAL APPROVED COST ALLOWANCE OF  
 20 EACH BUILDING PROJECT BY MORE THAN THE LESSER OF 30 MILLION DOLLARS OR  
 21 TEN PERCENT OF THE APPROVED COSTS, AND THE CITY SCHOOL DISTRICT HAS NOT  
 22 OTHERWISE DEMONSTRATED TO THE SATISFACTION OF THE NEW YORK STATE EDUCA-  
 23 TION DEPARTMENT THE AVAILABILITY OF ADDITIONAL LOCAL SHARES FOR SUCH  
 24 EXCESS COSTS, THEN THE JSC BOARD SHALL NOT PROCEED WITH THE PREPARATION  
 25 OF FINAL PLANS AND SPECIFICATIONS FOR SUCH PROJECTS UNTIL THE PROJECTS  
 26 HAVE BEEN REDESIGNED OR VALUE-ENGINEERED TO REDUCE ESTIMATED PROJECT  
 27 COSTS SO AS NOT TO EXCEED THE ABOVE COST LIMITS.

28 (E) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE  
 29 JSC BOARD SHALL SUBMIT ESTIMATED PROJECT COSTS FOR THE PROJECTS AUTHOR-  
 30 IZED PURSUANT TO SUBDIVISION (B) OF SECTION FIVE OF THIS ACT AFTER THE  
 31 COMPLETION OF FIFTY PERCENT OF THE FINAL PLANS AND SPECIFICATIONS FOR  
 32 REVIEW BY THE COMMISSIONER. IF THE TOTAL PROJECT COSTS ASSOCIATED WITH  
 33 SUCH PROJECTS EXCEED THE SUM OF THE ESTIMATED INDIVIDUAL APPROVED COST  
 34 ALLOWANCE OF EACH BUILDING PROJECT BY MORE THAN THE LESSER OF 30 MILLION  
 35 DOLLARS OR TEN PERCENT OF THE APPROVED COSTS, AND THE CITY SCHOOL  
 36 DISTRICT HAS NOT OTHERWISE DEMONSTRATED TO THE SATISFACTION OF THE NEW  
 37 YORK STATE EDUCATION DEPARTMENT THE AVAILABILITY OF ADDITIONAL LOCAL  
 38 SHARE FOR SUCH EXCESS COSTS, THEN THE JSC BOARD SHALL NOT PROCEED WITH  
 39 THE COMPLETION OF THE REMAINING FIFTY PERCENT OF THE PLANS AND SPECIFI-  
 40 CATIONS FOR SUCH PROJECTS UNTIL THE PROJECTS HAVE BEEN REDESIGNED OR  
 41 VALUE-ENGINEERED TO REDUCE ESTIMATED PROJECT COSTS SO AS NOT TO EXCEED  
 42 THE ABOVE COST LIMITS.

43 S 4. Paragraph (a) of section 8 of part A-4 of chapter 58 of the laws  
 44 of 2006 enacting the "city of Syracuse and the board of education of the  
 45 city school district of the city of Syracuse cooperative school recon-  
 46 struction act" is amended to read as follows:

47 (a) [Pursuant to the authority granted to it by an agreement and any  
 48 amendment or supplemental agreement thereto, between the city and the  
 49 city school district creating the JSC board with reference to the JSC  
 50 board and any amendments to those sections, the] THE JSC board, upon  
 51 receipt of such plans and specifications for a project [from the city],  
 52 may enter into contracts ACTING THROUGH THE CITY'S DIVISION OF PURCHASE  
 53 AND SUBJECT TO THE APPROVAL OF THE CITY ENGINEER AND CORPORATION COUNSEL  
 54 on behalf of the city or the city school district, or both, for such  
 55 project.

S. 3435--C

6

1 S 5. Subdivisions (a) and (c) of section 9 of part A-4 of chapter 58  
 2 of the laws of 2006 enacting the "city of Syracuse and the board of  
 3 education of the city school district of the city of Syracuse cooper-  
 4 ative school reconstruction act" are amended to read as follows:

5 (a) Notwithstanding the provisions of any general, special, or local  
 6 law to the contrary, a contract entered into between the JSC board and  
 7 any person pursuant to this act may be awarded either pursuant to public  
 8 bidding in compliance with section 103 of the general municipal law or,  
 9 in order to foster major investment in existing school buildings and to  
 10 deliver quality products and services that are beneficial to the city  
 11 and the city school district and the public they serve, pursuant to the  
 12 following provisions of this act for the award of a contract based on  
 13 evaluation of proposals submitted in response to a request for proposals  
 14 prepared by or for the JSC board. PROVIDED, HOWEVER, THAT THE JSC BOARD  
 15 SHALL HAVE THE OPTION OF OBTAINING PROFESSIONAL SERVICES INCLUDING BUT  
 16 NOT LIMITED TO AN INDEPENDENT PROGRAM MANAGER, CONSTRUCTION MANAGERS,  
 17 ARCHITECTS, ENGINEERS, FINANCIAL EXPERTS, AND DIVERSITY COMPLIANCE

18 SERVICES THROUGH THE CITY'S STANDARD REQUEST FOR PROPOSALS PROCESS USING  
 19 THE JSC BOARD AS THE APPROVING GOVERNING BODY INSTEAD OF THE COMMON  
 20 COUNCIL FOR SUCH CONTRACT AWARDS.

21 (c) Prior to the issuance of a request for proposals pursuant to this  
 22 act, EXCEPT THOSE ISSUED PURSUANT TO THE CITY'S STANDARD REQUEST FOR  
 23 PROPOSALS, the JSC board shall publish notice of such issuance in the  
 24 official newspaper of the city, if any, and in at least one newspaper of  
 25 general circulation. Concurrent with the publication of such notice, a  
 26 draft request for proposals shall be filed with the JSC board. After  
 27 allowing a thirty day comment period and an additional ten days to  
 28 review such comments, the JSC board may publish the final request for  
 29 proposals and concurrent with such publication shall publish notice of  
 30 such issuance in the manner specified in this subdivision. Concurrent  
 31 with the publication of the final request for proposals, a set of  
 32 comments filed in relation to the draft request for proposals and find-  
 33 ings related to the substantive elements of such comments shall be filed  
 34 along with the request for proposals with the JSC board and in the  
 35 public library or libraries in proximity to the proposed project.

36 S 6. Subdivisions (a) and (d) of section 10 of part A-4 of chapter 58  
 37 of the laws of 2006 enacting the "city of Syracuse and the board of  
 38 education of the city school district of the city of Syracuse cooper-  
 39 ative school reconstruction act" are amended to read as follows:

40 (a) The JSC board may require a contractor awarded a PUBLIC contract,  
 41 subcontract[, lease, grant, bond, covenant] or other agreement for a  
 42 project to enter into a project labor agreement during and for the work  
 43 involved with such project when such requirement is part of the JSC  
 44 board's [request for proposals] SPECIFICATIONS for the project and when  
 45 the JSC board determines that the record supporting the decision to  
 46 enter into such an agreement establishes that it is justified by the  
 47 interests underlying the competitive bidding laws. IN ADDITION, THE JSC  
 48 BOARD MAY CHOOSE TO EXTEND THE PROJECT LABOR AGREEMENT ENTERED INTO FOR  
 49 THE FIRST PHASE OF THE JSC CONSTRUCTION PROJECTS TO THE PROJECTS AUTHOR-  
 50 IZED HEREIN, CONTINGENT UPON THE COMPLETION OF A SUPPLEMENTAL PROJECT  
 51 LABOR AGREEMENT BENEFITS ANALYSIS.

52 (d) Every contract entered into by the JSC board for a project shall  
 53 contain a provision that the design of such project shall be subject to  
 54 the review and approval of the city school district AND THE CITY ENGI-  
 55 NEER and that the design and construction standards of such project  
 56 shall be subject to the review and approval of the commissioner. In  
 S. 3435--C 7

1 addition, every such contract shall contain a provision that the  
 2 contractor shall furnish a labor and material bond guaranteeing prompt  
 3 payment of moneys that are due to all persons furnishing labor and mate-  
 4 rials pursuant to the requirements of any contracts for a project under-  
 5 taken pursuant to this act and a performance bond for the faithful  
 6 performance of the project, which shall conform to the provisions of  
 7 section 103-f of the general municipal law, and that a copy of such  
 8 performance and payment bonds shall be kept by the city and shall be  
 9 open to public inspection.

10 S 7. Section 11 of part A-4 of chapter 58 of the laws of 2006 enacting  
 11 the "city of Syracuse and the board of education of the city school  
 12 district of the city of Syracuse cooperative school reconstruction act"  
 13 is amended to read as follows:

14 S 11. (a) All contracts entered into by the JSC board for projects  
 15 [undertaken pursuant to this act] PURSUANT TO SUBDIVISION (A) OF SECTION  
 16 FIVE OF THIS ACT shall be managed by an independent program manager.  
 17 Selection of the program manager shall be pursuant to the competitive  
 18 process established in section seven of this act. The program manager  
 19 shall have experience in planning, designing, and constructing new

20 and/or reconstructing existing school buildings, public facilities,  
 21 commercial facilities, and/or infrastructure facilities, and in the  
 22 negotiation and management of labor contracts and agreements, training  
 23 programs, educational programs, and physical technological requirements  
 24 for educational programs. The program manager shall manage all projects  
 25 undertaken pursuant to SUBDIVISION (A) OF SECTION FIVE OF this act,  
 26 review project schedules, review payment schedules, prepare cost esti-  
 27 mates and assess the safety programs of contractors and all training  
 28 programs, if required. The program manager shall implement procedures  
 29 for verification by it that all work for which payment has been  
 30 requested has been satisfactorily completed.

31 (b) ALL CONSTRUCTION AND DESIGN CONTRACTS ENTERED INTO BY THE JSC  
 32 BOARD FOR PROJECTS PURSUANT TO SUBDIVISION (B) OF SECTION FIVE OF THIS  
 33 ACT SHALL BE MANAGED BY THE CITY ENGINEER IN AGREEMENT WITH THE SCHOOL  
 34 DISTRICT OR, AT THE DISCRETION OF THE JSC BOARD, AN INDEPENDENT PROGRAM  
 35 MANAGER OR CONSTRUCTION MANAGERS SELECTED FOR ONE OR MORE PROJECTS.  
 36 SELECTION OF THE PROGRAM MANAGER AND/OR THE CONSTRUCTION MANAGER OR  
 37 MANAGERS SHALL BE PURSUANT TO A COMPETITIVE PROCESS ESTABLISHED IN  
 38 ACCORDANCE WITH THE CITY'S STANDARD REQUEST FOR PROPOSALS PROCESS USING  
 39 THE JSC BOARD AS THE APPROVING GOVERNING BODY INSTEAD OF THE COMMON  
 40 COUNCIL FOR SUCH CONTRACT AWARDS. THE PROGRAM MANAGER SHALL HAVE EXPERI-  
 41 ENCE IN PLANNING, DESIGNING, AND CONSTRUCTING NEW AND/OR RECONSTRUCTING  
 42 EXISTING SCHOOL BUILDINGS IN NEW YORK STATE, PUBLIC FACILITIES, COMMERCIAL  
 43 FACILITIES, AND/OR INFRASTRUCTURE FACILITIES, AND IN THE NEGOTI-  
 44 ATION AND MANAGEMENT OF LABOR CONTRACTS AND AGREEMENTS, TRAINING  
 45 PROGRAMS, EDUCATIONAL PROGRAMS, AND PHYSICAL TECHNOLOGICAL REQUIREMENTS  
 46 FOR EDUCATIONAL PROGRAMS. THE PROGRAM MANAGER SHALL MANAGE ALL PROJECTS  
 47 ASSIGNED BY THE JSC BOARD TO THE PROGRAM MANAGER AND UNDERTAKEN PURSUANT  
 48 TO SUBDIVISION (B) OF SECTION FIVE OF THIS ACT, REVIEW PROJECT SCHED-  
 49 ULES, REVIEW PAYMENT SCHEDULES, PREPARE COST ESTIMATES AND ASSESS THE  
 50 SAFETY PROGRAMS OF CONTRACTORS AND ALL TRAINING PROGRAMS, IF REQUIRED.  
 51 THE PROGRAM MANAGER SHALL IMPLEMENT PROCEDURES FOR VERIFICATION BY IT  
 52 THAT ALL WORK FOR WHICH PAYMENT HAS BEEN REQUESTED HAS BEEN SATISFAC-  
 53 TORILY COMPLETED. PROVIDED, HOWEVER, THAT THE JSC BOARD MAY CHOOSE TO  
 54 UTILIZE THE SERVICES OF AN INDEPENDENT CONSTRUCTION MANAGER AT ONE OR  
 55 MORE OF THE PROJECTS TO BE AUTHORIZED HEREIN WITH SAID CONSTRUCTION  
 S. 3435--C 8

1 MANAGER MANAGING THE PROJECT WITHIN THE MANAGEMENT PLAN SET FORTH BY THE  
 2 INDEPENDENT PROGRAM MANAGER AND THE JSC BOARD.

3 (C) The program manager, and its affiliates or subsidiaries, if any,  
 4 shall be prohibited from awarding contracts or being awarded contracts  
 5 for or performing any work on projects undertaken pursuant to this act.

6 S 8. Intentionally omitted.

7 S 9. Section 13 of part A-4 of chapter 58 of the laws of 2006 enacting  
 8 the "city of Syracuse and the board of education of the city school  
 9 district of the city of Syracuse cooperative school reconstruction act"  
 10 is amended to read as follows:

11 S 13. Notwithstanding any general, special, or local law or ordinance  
 12 to the contrary, contracts entered into by the JSC board for projects  
 13 undertaken pursuant to this act: (A) MAY BE INITIALLY FUNDED BY THE CITY  
 14 FROM ANY AVAILABLE MONIES OR FROM THE PROCEEDS OF CITY OBLIGATIONS  
 15 ISSUED IN ANTICIPATION OF PERMANENT FINANCING FROM ANY SOURCE PROVIDED  
 16 UNDER THE ACT AND THE REIMBURSEMENT TO THE CITY OF ANY AVAILABLE MONIES  
 17 SO ADVANCED OR THE PAYMENT OF OBLIGATIONS OF THE CITY ISSUED IN ANTIC-  
 18 IPATION OF PERMANENT FINANCING (INCLUDING PERMANENT FINANCING ISSUED  
 19 THROUGH THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY FOR SUCH  
 20 PURPOSE) IS HEREBY SPECIFICALLY AUTHORIZED, AND (B) (1) may be funded by  
 21 certificates of participation issued by the city pursuant to this act;  
 22 (2) may be installment purchased contracts; and (3) shall be subject to

23 the provisions of section 109-b of the general municipal law, except for  
 24 paragraph (a) of subdivision 3 of such section, subdivision 5 of such  
 25 section, and paragraph (c) of subdivision 6 of such section, and except  
 26 to the extent section 109-b of the general municipal law is inconsistent  
 27 with the provisions of this act. All provisions with reference to  
 28 installment purchase contracts or certificates of participation  
 29 contained in section 109-b of the general municipal law, except any  
 30 prohibition against using such installment purchase contracts or certifi-  
 31 cates of participation for the purposes set forth in this act, shall  
 32 apply to installment purchase contracts or certificates of participation  
 33 entered into or issued pursuant to the authority of this section of this  
 34 act.

35 S 10. Section 14 of part A-4 of chapter 58 of the laws of 2006 enact-  
 36 ing the "city of Syracuse and the board of education of the city school  
 37 district of the city of Syracuse cooperative school reconstruction act"  
 38 is amended by adding a new subdivision (c) to read as follows:

39 (C) PAYMENT OF DEBT SERVICE ON BONDS, NOTES OR OTHER OBLIGATIONS  
 40 ISSUED TO SECURE FINANCING FOR PROJECTS UNDERTAKEN PURSUANT TO THIS ACT  
 41 SHALL NOT BE CONSIDERED WHEN DETERMINING THE "CITY AMOUNT" REQUIRED  
 42 PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH A OF SUBDIVISION 5-B OF  
 43 SECTION 2576 OF THE EDUCATION LAW; PROVIDED, HOWEVER, THAT THIS  
 44 PROVISION SHALL NOT OTHERWISE AFFECT THE DETERMINATION OF SAID "CITY  
 45 AMOUNT" WITH RESPECT TO FUNDING UNRELATED TO PROJECTS UNDERTAKEN PURSU-  
 46 ANT TO THIS ACT.

47 S 11. Subdivision (a) of section 16 of part A-4 of chapter 58 of the  
 48 laws of 2006 enacting the "city of Syracuse and the board of education  
 49 of the city school district of the city of Syracuse cooperative school  
 50 reconstruction act" is amended to read as follows:

51 (a) Notwithstanding any limitations contained in article 18-A of the  
 52 general municipal law, including subdivisions 4[,] AND 12 [and 13] of  
 53 section 854 and section 926 of the general municipal law, a project  
 54 undertaken pursuant to this act shall be a "project" within the defi-  
 55 nition and for the purposes of subdivision 4 of section 854 of the  
 56 general municipal law, which may be financed by the city of Syracuse  
 S. 3435--C 9

1 industrial development agency or any successor agency thereto AND THE  
 2 CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY IS EXPRESSLY AUTHORIZED  
 3 TO REFINANCE OBLIGATIONS ISSUED BY THE CITY IN ANTICIPATION OF FINANCING  
 4 AUTHORIZED BY THIS ACT AND/OR REIMBURSE THE CITY FOR MONIES ADVANCED BY  
 5 THE CITY FOR PROJECTS UNDERTAKEN PURSUANT TO THIS ACT. In connection  
 6 with the city of Syracuse industrial development agency financing the  
 7 costs of any project undertaken pursuant to this act, the city and the  
 8 city school district may grant a leasehold or license interest in the  
 9 project and school building site constituting such project to the city  
 10 of Syracuse industrial development agency. All contracts involving any  
 11 such projects shall be awarded by the JSC board pursuant to the compet-  
 12 itive [process] PROCESSES outlined in [section] SECTIONS seven, EIGHT  
 13 AND NINE of this act [and shall comply with the provisions of section  
 14 eight of this act]. A project undertaken pursuant to this act may be  
 15 financed through a special program agreement with the state of New York  
 16 municipal bond bank agency pursuant to the provisions of section 2435-a  
 17 of the public authorities law. It shall be the duty of the JSC board,  
 18 the city school district and the city to compare the financing available  
 19 for such projects through the city of Syracuse industrial development  
 20 agency with financing available through the state of New York municipal  
 21 bond bank agency, and to employ the financing mechanism that will result  
 22 in the lowest cost to the taxpayers of the city and the state. It shall  
 23 be the duty of the JSC board, the city school district, the city and the  
 24 city of Syracuse industrial development agency to share with the state

25 of New York municipal bond bank agency any information in their  
 26 possession that is required by the state of New York municipal bond bank  
 27 agency to determine the cost of financing such projects and to compute  
 28 the interest rate that would have been applicable to a bond issuance by  
 29 the state of New York municipal bond bank agency in the event that  
 30 financing is obtained through the city of Syracuse industrial develop-  
 31 ment agency. Any failure to provide such information within thirty days  
 32 of receipt of a request from the state of New York municipal bond bank  
 33 agency shall be deemed to be a failure of the city school district to  
 34 submit the data needed to compute the apportionment of state building  
 35 aid, and the commissioner shall withhold such apportionment until such  
 36 information is fully submitted. Upon request of the city school  
 37 district, the director of the state of New York municipal bond bank  
 38 agency shall submit such reports as the commissioner may require on the  
 39 financing of such projects and/or the interest rate that would have been  
 40 applicable to such projects if they had been financed through such agen-  
 41 cy.

42 S 12. Section 19 of part A-4 of chapter 58 of the laws of 2006 enact-  
 43 ing the "city of Syracuse and the board of education of the city school  
 44 district of the city of Syracuse cooperative school reconstruction act"  
 45 is amended to read as follows:

46 S 19. (A) On January 15, 2007 and annually thereafter, until  
 47 completion of the [seven] projects authorized pursuant to this act, the  
 48 JSC board shall issue a report to the governor, the comptroller, the  
 49 commissioner, the temporary president of the senate, the speaker of the  
 50 assembly, the city, the common council and the city school district on  
 51 the progress and status of the projects undertaken by the JSC board.  
 52 Provided further, that if any such entities request information on the  
 53 progress and status of the projects prior to such report, it shall be  
 54 provided to such entities by the JSC board.

55 [In addition, on] (B) ON or before June 30, 2014 or upon the  
 56 completion of the [seven] projects authorized pursuant to SUBDIVISION  
 S. 3435--C 10

1 (A) OF SECTION FIVE OF this act, whichever shall first occur, the JSC  
 2 board shall issue a report to the city, the city school district, the  
 3 governor, the commissioner, the comptroller, the temporary president of  
 4 the senate, the minority leader of the senate, the speaker of the assem-  
 5 bly, the minority leader of the assembly, the state board of regents,  
 6 and the chairs and ranking minority members of the New York state senate  
 7 and assembly committees on education, the finance committee of the New  
 8 York state senate, and the ways and means committee of the New York  
 9 state assembly. Such report shall identify the fiscal and pedagogical  
 10 results of the projects undertaken pursuant to this act, along with  
 11 recommendations for its continuance, amendments, or discontinuance.

12 (C) ON OR BEFORE JUNE 30, 2020 OR UPON THE COMPLETION OF THE PROJECTS  
 13 AUTHORIZED PURSUANT TO SUBDIVISION (B) OF SECTION FIVE OF THIS ACT,  
 14 WHICHEVER SHALL FIRST OCCUR, THE JSC BOARD SHALL ISSUE A REPORT TO THE  
 15 CITY, THE CITY SCHOOL DISTRICT, THE GOVERNOR, THE COMMISSIONER, THE  
 16 COMPTROLLER, THE TEMPORARY PRESIDENT OF THE SENATE, THE MINORITY LEADER  
 17 OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINORITY LEADER OF THE  
 18 ASSEMBLY, THE STATE BOARD OF REGENTS, AND THE CHAIRS AND RANKING MINORI-  
 19 TY MEMBERS OF THE NEW YORK STATE SENATE AND ASSEMBLY COMMITTEES ON  
 20 EDUCATION, THE FINANCE COMMITTEE OF THE NEW YORK STATE SENATE, AND THE  
 21 WAYS AND MEANS COMMITTEE OF THE NEW YORK STATE ASSEMBLY. SUCH REPORT  
 22 SHALL IDENTIFY THE FISCAL AND PEDAGOGICAL RESULTS OF THE PROJECTS UNDER-  
 23 TAKEN PURSUANT TO THIS ACT, ALONG WITH RECOMMENDATIONS FOR ITS CONTIN-  
 24 UANCE, AMENDMENTS, OR DISCONTINUANCE.

25 S 13. This act shall take effect immediately; provided, however, that  
 26 all resolutions, actions, obligations and approvals of the JSC board, as

27 defined in subdivision (f) of section 4 of part A-4 of chapter 58 of the  
28 laws of 2006, as amended in section one of this act, taken prior to the  
29 effective date of this act shall remain in full force and effect and be  
30 treated as resolutions, actions, obligations and approvals of such  
31 board.



Aye

Assembly Actions - Lowercase  
Senate Actions - UPPERCASE

|              |   |
|--------------|---|
| Mar 17, 2014 | signed chap.9   |
| Mar 12, 2014 | delivered to governor   |
| Feb 25, 2014 | returned to senate<br>passed assembly<br>ordered to third reading cal.457<br>substituted for a8226a |
| Jan 23, 2014 | referred to education   |
| Jan 22, 2014 | delivered to assembly<br>passed senate  |
| Jan 13, 2014 | ordered to third reading cal.6<br>committee discharged and committed to rules                       |
| Jan 08, 2014 | referred to education   |

S6127 - Bill Details

See Assembly Version of this Bill:

A8226A

Law Section:

Syracuse, City of

Laws Affected:

Amd Part A-4 §§4 & 5, Chap 58 of 2006

S6127 - Bill Texts

[view summary](#)

Relates to members of the joint schools construction board and projects at certain schools in the Syracuse school district.

[view sponsor memo](#)

BILL NUMBER:S6127

TITLE OF BILL: An act to amend chapter 58 of the laws of 2006

enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", in relation to members of the JSC Board and projects at certain schools in the city school district

**PURPOSE:** To change the membership composition of the Syracuse JSCB and identify the schools where projects will be undertaken.

**SUMMARY OF PROVISIONS:**

**Section 1:** Amends the membership composition of the Syracuse JSCB to provide that the JSCB members shall be: The mayor, the superintendent, three mayoral appointees, and two superintendent appointees.

**Section 2:** Identifies the 15 schools where projects may occur.

**Section 3:** Provides that this act shall take effect on the same date and in the same manner as a chapter of the laws of 2013 amending chapter 58 of the laws of 2006.

**JUSTIFICATION:** Provides that the Syracuse JSCB will be mayoralty controlled and identifies the schools where projects may be undertaken thereby providing some certainty to the Syracuse city school district, students, families and residents.

**LEGISLATIVE HISTORY:** This is a new bill.

**FISCAL IMPACT:** None.

**EFFECTIVE DATE:** This act shall take effect on the same date and in the same manner as a chapter of the laws of 2013 amending chapter 58 of the laws of 2006.

STATE OF NEW YORK

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6127

IN SENATE

(PREFILED)

January 8, 2014

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introduced by Sen. DeFRANCISCO -- read twice and ordered printed, and  
when printed to be committed to the Committee on Education

AN ACT to amend chapter 58 of the laws of 2006 enacting the "city of  
Syracuse and the board of education of the city school district of the  
city of Syracuse cooperative school reconstruction act", in relation  
to members of the JSC Board and projects at certain schools in the  
city school district

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision (f) of section 4 of part A-4 of chapter 58 of  
the laws of 2006 enacting the "city of Syracuse and the board of educa-  
tion of the city school district of the city of Syracuse cooperative  
school reconstruction act", as amended by chapter 459 of the laws of  
2013, is amended to read as follows:

(f) "JSC board" shall mean the joint schools construction board of the city and the city school district established to administer, manage, design, renovate and effect the financing of existing public schools within the Syracuse city school district. Such board shall consist of the mayor of the city of Syracuse and [two] THREE additional members designated by the mayor who shall serve at the pleasure of the mayor for a term not exceeding one year, the superintendent of the Syracuse city school district and two additional members designated by the superintendent who shall serve at the pleasure of the superintendent for a term not exceeding one year[, and a seventh member, not employed by the city or the school district, jointly designated by the mayor and the superintendent who shall serve at the pleasure of the mayor and the superintendent for a term not exceeding one year]. To ensure flexibility and continuity, the mayor and/or the superintendent may from time to time designate and authorize their chief of staff, chief financial officer, or other designee, to attend and vote in their stead.

S 2. Section 5 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act",

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets

[ ] is old law to be omitted.

LBD11864-05-4

S. 6127

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as amended by chapter 459 of the laws of 2013, is amended to read as follows:

S 5. (a) No more than seven projects, one each at the Central High

School, the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School, up to a total cost of two hundred twenty-five million dollars; and (b) no more than twenty projects [at locations to be determined by the city school district and approved by the JSC board] WHICH SHALL BE LOCATED AT THE BELLEVUE ELEMENTARY SCHOOL, THE CLARY MIDDLE SCHOOL, THE CORCORAN HIGH SCHOOL, THE DANFORTH MIDDLE SCHOOL, THE EDWARD SMITH K-8 SCHOOL, THE EXPEDITIONARY LEARNING MIDDLE SCHOOL, THE FOWLER HIGH SCHOOL, THE FRAZER K-8 SCHOOL, THE GRANT MIDDLE SCHOOL, THE GREYSTONE BUILDING, THE HENNINGER HIGH SCHOOL, THE HUNTINGTON K-8 SCHOOL, THE NOTTINGHAM HIGH SCHOOL, THE SHEA MIDDLE SCHOOL AND THE WESTSIDE ACADEMY AT BLODGETT, up to a total cost of three hundred million dollars, shall be authorized and undertaken pursuant to this act, unless otherwise authorized by law.

S 3. This act shall take effect on the same date and in the same manner as chapter 459 of the laws of 2013 takes effect.

LAWS OF NEW YORK, 2014

CHAPTER 9

AN ACT to amend chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", in relation to members of the JSC Board and projects at certain schools in the city school district

Became a law March 17, 2014, with the approval of the Governor.  
Passed by a majority vote, three-fifths being present.

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. Subdivision (f) of section 4 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", as amended by chapter 459 of the laws of 2013, is amended to read as follows:

(f) "JSC board" shall mean the joint schools construction board of the city and the city school district established to administer, manage, design, renovate and effect the financing of existing public schools within the Syracuse city school district. Such board shall consist of the mayor of the city of Syracuse and [~~two~~] **three** additional members designated by the mayor who shall serve at the pleasure of the mayor for a term not exceeding one year, the superintendent of the Syracuse city school district and two additional members designated by the superintendent who shall serve at the pleasure of the superintendent for a term not exceeding one year[~~, and a seventh member, not employed by the city or the school district, jointly designated by the mayor and the superintendent who shall serve at the pleasure of the mayor and the superintendent for a term not exceeding one year~~]. To ensure flexibility and continuity, the mayor and/or the superintendent may from time to time designate and authorize their chief of staff, chief financial officer, or other designee, to attend and vote in their stead.

§ 2. Section 5 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", as amended by chapter 459 of the laws of 2013, is amended to read as follows:

§ 5. (a) No more than seven projects, one each at the Central High School, the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School, up to a total cost of two hundred twenty-five million dollars; and (b) no more than twenty projects [~~at locations to be determined by the city school district and approved by the JSC board~~] **which shall be located at the Bellevue Elementary School, the Clary Middle School, the Corcoran High School, the Danforth Middle School, the Edward Smith K-8 School, the Expeditionary Learning Middle School, the Fowler High School, the Frazer K-8 School, the Grant Middle School, the Greystone Building, the Henninger High School, the Hunting-**

EXPLANATION--Matter in italics is new; matter in brackets [] is old law to be omitted.

ton K-8 School, the Nottingham High School, the Shea Middle School and the Westside Academy at Blodgett, up to a total cost of three hundred million dollars, shall be authorized and undertaken pursuant to this act, unless otherwise authorized by law.

§ 3. This act shall take effect on the same date and in the same manner as chapter 459 of the laws of 2013 takes effect.

The Legislature of the STATE OF NEW YORK ss:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

DEAN G. SKELOS  
Temporary President of the Senate

SHELDON SILVER  
Speaker of the Assembly

LAWS OF NEW YORK, 2013

CHAPTER 459

AN ACT to amend chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act", in relation to the powers and duties of the joint schools construction board of the city of Syracuse and the city school district

Became a law October 25, 2013, with the approval of the Governor.  
Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivisions (f), (h) and (j) of section 4 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" are amended to read as follows:

(f) [~~"JSC board" shall mean the joint schools construction board of the city and the city school district as set forth in an agreement, dated as of April 1, 2004, between the city school district and the city as such agreement may be from time to time amended or supplemented, acting as agent for the city, school district, or both~~] "JSC board" shall mean the joint schools construction board of the city and the city school district established to administer, manage, design, renovate and effect the financing of existing public schools within the Syracuse city school district. Such board shall consist of the mayor of the city of Syracuse and two additional members designated by the mayor who shall serve at the pleasure of the mayor for a term not exceeding one year, the superintendent of the Syracuse city school district and two additional members designated by the superintendent who shall serve at the pleasure of the superintendent for a term not exceeding one year, and a seventh member, not employed by the city or the school district, jointly designated by the mayor and the superintendent who shall serve at the pleasure of the mayor and the superintendent for a term not exceeding one year. To ensure flexibility and continuity, the mayor and/or the superintendent may from time to time designate and authorize their chief of staff, chief financial officer, or other designee, to attend and vote in their stead.

(h) "Project" shall mean work at an existing school building site that involves the design, reconstruction, or rehabilitation of an existing school building for its continued use as a school of the city school district, which may include an addition to an existing school building for such continued use at a cost, for such addition, of, for projects identified in subdivision (a) of section five of this act, no more than nine million dollars, and, for projects identified in subdivision (b) of section five of this act, no more than twenty million dollars, and which also may include (1) the construction or reconstruction of athletic fields, playgrounds, and other recreational facilities for such existing school building, and/or (2) the acquisition and installation of all equipment necessary and attendant to and for the use of such existing

EXPLANATION--Matter in italics is new; matter in brackets [-] is old law to be omitted.



school building and/or the acquisition of additional real property necessary for the project.

(j) "Program manager" shall mean an independent program management firm hired by the JSC board to assist it in: (1) developing and implementing procedures for the projects undertaken and contracted for by the JSC board; (2) reviewing plans and specifications for projects; (3) developing and implementing policies and procedures to utilize employment resources to provide sufficient skilled employees for such projects, including developing and implementing training programs, if required; ~~and~~ (4) managing such projects if required by the JSC board; (5) developing and managing a financial plan to maximize the efficient use of state building aid; and (6) managing the project budget. Provided, however that the city and the city school district acting through the JSC board may hire or retain one or more employees to perform some or all of the aforementioned program management functions.

§ 2. Section 5 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

§ 5. (a) No more than seven projects, one each at the Central High School, the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School, up to a total cost of two hundred twenty-five million dollars; and (b) no more than twenty projects at locations to be determined by the city school district and approved by the JSC board, up to a total cost of three hundred million dollars, shall be authorized and undertaken pursuant to this act, unless otherwise authorized by law.

§ 3. Sections 6 and 7 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" are amended to read as follows:

§ 6. (1) Before formal selection of the projects identified in subdivision (a) of section five of this act occurs, the JSC board shall develop a comprehensive plan recommending and outlining the projects it proposes to be potentially undertaken pursuant to this act. Such plan shall include: (a) an estimate of total costs to be financed, proposed financing plan, proposed method of financing, terms and conditions of the financing, estimated financing costs, and, if city general obligation bonds or notes are not proposed as the method of financing, a comparison of financing costs between such bonds or notes and the proposed method of financing. The plan should also address what specific options would be used to ensure that sufficient resources exist to cover the local share of any such project cost on an annual basis; (b) information concerning the potential persons to be involved in the financing and such person's role and responsibilities; (c) estimates on the design, reconstruction and rehabilitation costs by project, any administrative costs for potential projects, and an outline of the time-frame expected for completion of each potential project; (d) a detailed description of the request for proposals process and an outline of the criteria to be used for selection of the program manager and all contractors; (e) any proposed amendments to the city school district's five year capital facilities plan submitted in accordance with subdivision 6 of section 3602 of the education law and the regulations of the commissioner; and (f) a diversity plan, in compliance with subdivision ~~(e)~~ (b) of section eight of this act, to develop diversity goals,

including appropriate community input and public discussion, and develop strategies that would create and coordinate any efforts to ensure a more diverse workforce for the projects. The diversity plan should address accountability for attainment of the diversity goals, what forms of monitoring would be used, and how such information would be publicly communicated.

Prior to the development of the comprehensive plan, the JSC board shall hold as many public hearings as may be necessary to ensure sufficient public input and allow for significant public discussion on the school building needs in such city, with at least one hearing to be held in each neighborhood potentially impacted by a proposed project.

The JSC board shall submit the components of such comprehensive plan outlined in ~~[subdivision]~~ paragraph (a) of subdivision one of this section to the comptroller, along with any other information requested by the comptroller, for his or her review and approval.

(2) Before formal selection of the projects pursuant to subdivision (b) of section five of this act occurs, the city school district shall provide to the JSC board a comprehensive draft plan recommending and outlining the projects it proposes to be potentially undertaken pursuant to this act. Such plan will be subject to the review and approval of the JSC board and shall include: (a) an estimate of total costs to be financed, proposed financing plan, proposed method of financing, terms and conditions of the financing, estimated financing costs, and, if city general obligation bonds or notes are not proposed as the method of financing, a comparison of financing costs between such bonds or notes and the proposed method of financing. The plan should also address what specific options would be used to ensure that sufficient resources exist to cover the local share of any such project cost on an annual basis; (b) information concerning the potential persons to be involved in the financing and such person's role and responsibilities; (c) estimates on the design, reconstruction and rehabilitation costs by project, any administrative costs for potential projects, and an outline of the time-frame expected for completion of each potential project; (d) a detailed description of the request for proposals process and an outline of the criteria to be used for selection of the program manager and all contractors; (e) any proposed amendments to the city school district's five year capital facilities plan submitted in accordance with subdivision 6 of section 3602 of the education law and the regulations of the commissioner; and (f) a diversity plan, in compliance with subdivision (b) of section eight of this act, to develop diversity goals, including appropriate community input and public discussion, and develop strategies that would create and coordinate any efforts to ensure a more diverse workforce for the projects. The diversity plan should address accountability for attainment of the diversity goals, what forms of monitoring would be used, and how such information would be publicly communicated.

As part of the development of the comprehensive plan, the school district shall hold as many public hearings as may be necessary to ensure sufficient public input and allow for significant public discussion on the school building needs in such city, with at least one hearing to be held in each neighborhood potentially impacted by a proposed project.

The JSC board shall submit the components of such comprehensive plan outlined in paragraph (a) of subdivision two of this section to the comptroller, along with any other information requested by the comptroller, for his or her review and approval.

§ 7. (a) Notwithstanding any general, special or local law to the contrary and upon approval by the comptroller pursuant to section [four] six of this act, the city school district may select projects, pursuant to subdivision (a) of section five of this act to be undertaken pursuant to this act, as provided for in such approved comprehensive plan. After the city school district has selected a new project and plans and specifications for such project have been prepared and approved by the city school district, which are consistent with the approved comprehensive plan, the city school district shall deliver such plans and specifications to the city, for approval by such city, acting through the common council, and after the common council has approved such plans and specifications, the city shall deliver them to the commissioner for his or her approval. After approval by the commissioner, the plans and specifications shall be returned to the city school district and such district shall then deliver them to the JSC board. All such specifications shall detail the number of students the completed project is intended to serve, the site description, the types of subjects to be taught, the types of activities for school, recreational, social, safety, or other purposes intended to be incorporated in the school building or on its site and such other information as the city school district, the city, the common council, and the commissioner shall deem necessary or advisable.

(b) Notwithstanding any general, special or local law to the contrary and upon approval by the comptroller pursuant to section six of this act, the city school district may select projects, pursuant to subdivision (b) of section five of this act to be undertaken pursuant to this act, as provided for in such approved comprehensive plan. After the city school district has selected a new project and plans and specifications for such project have been prepared and approved by the city school district in consultation with the city engineer, which are consistent with the approved comprehensive plan, the city school district shall deliver such plans and specifications to the commissioner for his or her approval. After approval by the commissioner, the plans and specifications shall be delivered to the JSC board. All such specifications shall detail the number of students the completed project is intended to serve, the site description, the types of subjects to be taught, the types of activities for school, recreational, social, safety, or other purposes intended to be incorporated in the school building or on its site and such other information as the city school district, the city engineer, and the commissioner shall deem necessary or advisable.

(c) Notwithstanding any other provision of law to the contrary, if the total project cost associated with the projects authorized pursuant to subdivision (b) of section five of this act exceeds the estimated total project cost of 300 million dollars, then the JSC board shall report such information, along with explanatory documentation regarding the increase in cost, to the governor, the New York state comptroller, the commissioner, the temporary president of the senate and the speaker of the assembly.

(d) Notwithstanding any other provision of law to the contrary, the JSC board shall submit estimated project costs for the projects authorized pursuant to subdivision (b) of section five of this act after the completion of schematic plans and specifications for review by the commissioner. If the total project costs associated with such projects exceed the sum of the estimated individual approved cost allowance of each building project by more than the lesser of 30 million dollars or ten percent of the approved costs, and the city school district has not

otherwise demonstrated to the satisfaction of the New York state education department the availability of additional local shares for such excess costs, then the JSC board shall not proceed with the preparation of final plans and specifications for such projects until the projects have been redesigned or value-engineered to reduce estimated project costs so as not to exceed the above cost limits.

(e) Notwithstanding any other provision of law to the contrary, the JSC board shall submit estimated project costs for the projects authorized pursuant to subdivision (b) of section five of this act after the completion of fifty percent of the final plans and specifications for review by the commissioner. If the total project costs associated with such projects exceed the sum of the estimated individual approved cost allowance of each building project by more than the lesser of 30 million dollars or ten percent of the approved costs, and the city school district has not otherwise demonstrated to the satisfaction of the New York state education department the availability of additional local share for such excess costs, then the JSC board shall not proceed with the completion of the remaining fifty percent of the plans and specifications for such projects until the projects have been redesigned or value-engineered to reduce estimated project costs so as not to exceed the above cost limits.

§ 4. Paragraph (a) of section 8 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

~~(a) [Pursuant to the authority granted to it by an agreement and any amendment or supplemental agreement thereto, between the city and the city school district creating the JSC board with reference to the JSC board and any amendments to those sections, the]~~ The JSC board, upon receipt of such plans and specifications for a project ~~[from the city]~~, may enter into contracts acting through the city's division of purchase and subject to the approval of the city engineer and corporation counsel on behalf of the city or the city school district, or both, for such project.

§ 5. Subdivisions (a) and (c) of section 9 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" are amended to read as follows:

(a) Notwithstanding the provisions of any general, special, or local law to the contrary, a contract entered into between the JSC board and any person pursuant to this act may be awarded either pursuant to public bidding in compliance with section 103 of the general municipal law or, in order to foster major investment in existing school buildings and to deliver quality products and services that are beneficial to the city and the city school district and the public they serve, pursuant to the following provisions of this act for the award of a contract based on evaluation of proposals submitted in response to a request for proposals prepared by or for the JSC board. Provided, however, that the JSC board shall have the option of obtaining professional services including but not limited to an independent program manager, construction managers, architects, engineers, financial experts, and diversity compliance services through the city's standard request for proposals process using the JSC board as the approving governing body instead of the common council for such contract awards.

(c) Prior to the issuance of a request for proposals pursuant to this act, except those issued pursuant to the city's standard request for

proposals, the JSC board shall publish notice of such issuance in the official newspaper of the city, if any, and in at least one newspaper of general circulation. Concurrent with the publication of such notice, a draft request for proposals shall be filed with the JSC board. After allowing a thirty day comment period and an additional ten days to review such comments, the JSC board may publish the final request for proposals and concurrent with such publication shall publish notice of such issuance in the manner specified in this subdivision. Concurrent with the publication of the final request for proposals, a set of comments filed in relation to the draft request for proposals and findings related to the substantive elements of such comments shall be filed along with the request for proposals with the JSC board and in the public library or libraries in proximity to the proposed project.

§ 6. Subdivisions (a) and (d) of section 10 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" are amended to read as follows:

(a) The JSC board may require a contractor awarded a public contract, subcontract [~~lease, grant, bond, covenant~~] or other agreement for a project to enter into a project labor agreement during and for the work involved with such project when such requirement is part of the JSC board's [~~request for proposals~~] specifications for the project and when the JSC board determines that the record supporting the decision to enter into such an agreement establishes that it is justified by the interests underlying the competitive bidding laws. In addition, the JSC board may choose to extend the project labor agreement entered into for the first phase of the JSC construction projects to the projects authorized herein, contingent upon the completion of a supplemental project labor agreement benefits analysis.

(d) Every contract entered into by the JSC board for a project shall contain a provision that the design of such project shall be subject to the review and approval of the city school district and the city engineer and that the design and construction standards of such project shall be subject to the review and approval of the commissioner. In addition, every such contract shall contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor and materials pursuant to the requirements of any contracts for a project undertaken pursuant to this act and a performance bond for the faithful performance of the project, which shall conform to the provisions of section 103-f of the general municipal law, and that a copy of such performance and payment bonds shall be kept by the city and shall be open to public inspection.

§ 7. Section 11 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

§ 11. (a) All contracts entered into by the JSC board for projects [~~undertaken pursuant to this act~~] pursuant to subdivision (a) of section five of this act shall be managed by an independent program manager. Selection of the program manager shall be pursuant to the competitive process established in section seven of this act. The program manager shall have experience in planning, designing, and constructing new and/or reconstructing existing school buildings, public facilities, commercial facilities, and/or infrastructure facilities, and in the negotiation and management of labor contracts and agreements, training

programs, educational programs, and physical technological requirements for educational programs. The program manager shall manage all projects undertaken pursuant to subdivision (a) of section five of this act, review project schedules, review payment schedules, prepare cost estimates and assess the safety programs of contractors and all training programs, if required. The program manager shall implement procedures for verification by it that all work for which payment has been requested has been satisfactorily completed.

(b) All construction and design contracts entered into by the JSC board for projects pursuant to subdivision (b) of section five of this act shall be managed by the city engineer in agreement with the school district or, at the discretion of the JSC board, an independent program manager or construction managers selected for one or more projects. Selection of the program manager and/or the construction manager or managers shall be pursuant to a competitive process established in accordance with the city's standard request for proposals process using the JSC board as the approving governing body instead of the common council for such contract awards. The program manager shall have experience in planning, designing, and constructing new and/or reconstructing existing school buildings in New York state, public facilities, commercial facilities, and/or infrastructure facilities, and in the negotiation and management of labor contracts and agreements, training programs, educational programs, and physical technological requirements for educational programs. The program manager shall manage all projects assigned by the JSC board to the program manager and undertaken pursuant to subdivision (b) of section five of this act, review project schedules, review payment schedules, prepare cost estimates and assess the safety programs of contractors and all training programs, if required. The program manager shall implement procedures for verification by it that all work for which payment has been requested has been satisfactorily completed. Provided, however, that the JSC board may choose to utilize the services of an independent construction manager at one or more of the projects to be authorized herein with said construction manager managing the project within the management plan set forth by the independent program manager and the JSC board.

(c) The program manager, and its affiliates or subsidiaries, if any, shall be prohibited from awarding contracts or being awarded contracts for or performing any work on projects undertaken pursuant to this act.

§ 8. Intentionally omitted.

§ 9. Section 13 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

§ 13. Notwithstanding any general, special, or local law or ordinance to the contrary, contracts entered into by the JSC board for projects undertaken pursuant to this act: (a) may be initially funded by the city from any available monies or from the proceeds of city obligations issued in anticipation of permanent financing from any source provided under the act and the reimbursement to the city of any available monies so advanced or the payment of obligations of the city issued in anticipation of permanent financing (including permanent financing issued through the city of Syracuse industrial development agency for such purpose) is hereby specifically authorized, and (b) (1) may be funded by certificates of participation issued by the city pursuant to this act; (2) may be installment purchased contracts; and (3) shall be subject to the provisions of section 109-b of the general municipal law, except for

paragraph (a) of subdivision 3 of such section, subdivision 5 of such section, and paragraph (c) of subdivision 6 of such section, and except to the extent section 109-b of the general municipal law is inconsistent with the provisions of this act. All provisions with reference to installment purchase contracts or certificates of participation contained in section 109-b of the general municipal law, except any prohibition against using such installment purchase contracts or certificates of participation for the purposes set forth in this act, shall apply to installment purchase contracts or certificates of participation entered into or issued pursuant to the authority of this section of this act.

§ 10. Section 14 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended by adding a new subdivision (c) to read as follows:

(c) Payment of debt service on bonds, notes or other obligations issued to secure financing for projects undertaken pursuant to this act shall not be considered when determining the "city amount" required pursuant to subparagraph (ii) of paragraph a of subdivision 5-b of section 2576 of the education law; provided, however, that this provision shall not otherwise affect the determination of said "city amount" with respect to funding unrelated to projects undertaken pursuant to this act.

§ 11. Subdivision (a) of section 16 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

(a) Notwithstanding any limitations contained in article 18-A of the general municipal law, including subdivisions 4[7] and 12 [~~and 13~~] of section 854 and section 926 of the general municipal law, a project undertaken pursuant to this act shall be a "project" within the definition and for the purposes of subdivision 4 of section 854 of the general municipal law, which may be financed by the city of Syracuse industrial development agency or any successor agency thereto and the city of Syracuse industrial development agency is expressly authorized to refinance obligations issued by the city in anticipation of financing authorized by this act and/or reimburse the city for monies advanced by the city for projects undertaken pursuant to this act. In connection with the city of Syracuse industrial development agency financing the costs of any project undertaken pursuant to this act, the city and the city school district may grant a leasehold or license interest in the project and school building site constituting such project to the city of Syracuse industrial development agency. All contracts involving any such projects shall be awarded by the JSC board pursuant to the competitive [~~process~~] processes outlined in [~~section~~] sections seven, eight and nine of this act [~~and shall comply with the provisions of section eight of this act~~]. A project undertaken pursuant to this act may be financed through a special program agreement with the state of New York municipal bond bank agency pursuant to the provisions of section 2435-a of the public authorities law. It shall be the duty of the JSC board, the city school district and the city to compare the financing available for such projects through the city of Syracuse industrial development agency with financing available through the state of New York municipal bond bank agency, and to employ the financing mechanism that will result in the lowest cost to the taxpayers of the city and the state. It shall be the duty of the JSC board, the city school district, the city and the

city of Syracuse industrial development agency to share with the state of New York municipal bond bank agency any information in their possession that is required by the state of New York municipal bond bank agency to determine the cost of financing such projects and to compute the interest rate that would have been applicable to a bond issuance by the state of New York municipal bond bank agency in the event that financing is obtained through the city of Syracuse industrial development agency. Any failure to provide such information within thirty days of receipt of a request from the state of New York municipal bond bank agency shall be deemed to be a failure of the city school district to submit the data needed to compute the apportionment of state building aid, and the commissioner shall withhold such apportionment until such information is fully submitted. Upon request of the city school district, the director of the state of New York municipal bond bank agency shall submit such reports as the commissioner may require on the financing of such projects and/or the interest rate that would have been applicable to such projects if they had been financed through such agency.

§ 12. Section 19 of part A-4 of chapter 58 of the laws of 2006 enacting the "city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act" is amended to read as follows:

§ 19. (a) On January 15, 2007 and annually thereafter, until completion of the [~~seven~~] projects authorized pursuant to this act, the JSC board shall issue a report to the governor, the comptroller, the commissioner, the temporary president of the senate, the speaker of the assembly, the city, the common council and the city school district on the progress and status of the projects undertaken by the JSC board. Provided further, that if any such entities request information on the progress and status of the projects prior to such report, it shall be provided to such entities by the JSC board.

~~[In addition, on]~~ (b) On or before June 30, 2014 or upon the completion of the [~~seven~~] projects authorized pursuant to subdivision (a) of section five of this act, whichever shall first occur, the JSC board shall issue a report to the city, the city school district, the governor, the commissioner, the comptroller, the temporary president of the senate, the minority leader of the senate, the speaker of the assembly, the minority leader of the assembly, the state board of regents, and the chairs and ranking minority members of the New York state senate and assembly committees on education, the finance committee of the New York state senate, and the ways and means committee of the New York state assembly. Such report shall identify the fiscal and pedagogical results of the projects undertaken pursuant to this act, along with recommendations for its continuance, amendments, or discontinuance.

(c) On or before June 30, 2020 or upon the completion of the projects authorized pursuant to subdivision (b) of section five of this act, whichever shall first occur, the JSC board shall issue a report to the city, the city school district, the governor, the commissioner, the comptroller, the temporary president of the senate, the minority leader of the senate, the speaker of the assembly, the minority leader of the assembly, the state board of regents, and the chairs and ranking minority members of the New York state senate and assembly committees on education, the finance committee of the New York state senate, and the ways and means committee of the New York state assembly. Such report shall identify the fiscal and pedagogical results of the projects under-



taken pursuant to this act, along with recommendations for its continuance, amendments, or discontinuance.

§ 13. This act shall take effect immediately; provided, however, that all resolutions, actions, obligations and approvals of the JSC board, as defined in subdivision (f) of section 4 of part A-4 of chapter 58 of the laws of 2006, as amended in section one of this act, taken prior to the effective date of this act shall remain in full force and effect and be treated as resolutions, actions, obligations and approvals of such board.

The Legislature of the STATE OF NEW YORK ss:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

DEAN G. SKELOS  
Temporary President of the Senate

SHELDON SILVER  
Speaker of the Assembly

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

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**FOURTH AMENDATORY LICENSE AGREEMENT  
(SERIES 2018A PROJECT)**

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Dated as of March 1, 2018

\$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

## FOURTH AMENDATORY LICENSE AGREEMENT

**THIS FOURTH AMENDATORY LICENSE AGREEMENT** dated as of March 1, 2018 (the “*Fourth Amendatory License Agreement*”) by and among **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the “*City*”), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education (“*SCSD*”), having its principal office at 725 Harrison Street, Syracuse, New York 13210, collectively as licensor, and **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York (the “*Agency*”), having an office for the transaction of business located at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202, as licensee, amendatory of a certain License Agreement (Series 2008 Project), dated as of March 1, 2008 by and among the City, the SCSD and the Agency (the “*Original License*”) as previously amended by that certain Amendatory License Agreement (Series 2010 Project), dated as of December 1, 2010 (the “*Amendatory License*”); a Second Amendatory License Agreement (Series 2011 Project), dated as of July 1, 2011 (the “*Second Amendatory License*”); and Third Amendatory License Agreement (Series 2017 Project), dated as of April 1, 2017, each by and among City, the SCSD and the Agency (the “*Third Amendatory License*” and together with the Original License, the Amendatory License, the Second Amendatory License and this Fourth Amendatory License Agreement, collectively the “*License*”).

### WITNESSETH:

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “*Enabling Act*”) authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial purposes to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the “*State*”) and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the “*IDA Act*”), for the benefit of City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State has determined that many of the schools of the City are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, the parties hereto expressly ratify and confirm all of the provisions and conditions of the Environmental Compliance and Indemnification Agreement entered into between the parties for the benefit of the Agency, dated as of March 1, 2008 (the “**Original Agreement**”) as supplemented by the First Supplemental Environmental Compliance and Indemnification Agreement dated as of December 1, 2010 (the “**First Amended Agreement**”), the Second Supplemental Environmental Compliance and Indemnification Agreement dated July 1, 2011 (the “**Second Amended Agreement**”) and the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018 (the “**Third Amended Agreement**”) and together with the Original Agreement, the First Amended Agreement and the Second Amended Agreement, collectively, the “**Environmental Compliance and Indemnification Agreement**”) shall remain in full force and effect.

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State, as amended from time to time, (the “**Syracuse Schools Act**”), “projects” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act have been determined to be a qualified “project” under the IDA Act, which the Agency may finance, lease or license; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations with the Syracuse Joint Schools Construction Board (the “**JSCB**”), acting on behalf of the SCSD and the City, for the projects to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD’s public schools (the “**Program**”), to induce the Agency to commence with the financing of the design, reconstruction, rehabilitation and/or construction of certain existing public school and additions thereto and the acquisition and installation therein of certain equipment, fixtures and furnishings necessary and attendant thereto (collectively, the “**Facilities**”), at the sites listed, in part, on Exhibit A attached hereto and made a part hereof; and

**WHEREAS**, the Agency has determined that the financing of a portion of the costs of the Program will assist the SCSD and the City in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, the Syracuse Schools Act authorized the first phase (“**Phase I**”) of the Program for public school buildings of the SCSD, at a cost not to exceed \$225 million. Phase I of the Program consisted of design and/or reconstruction and rehabilitation of various existing school

buildings and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD. Phase I was financed by the Issuer through several issues of its bonds in 2008, 2010, 2011 and 2017; and

**WHEREAS**, legislation authorizing phase two ("**Phase II**") of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013 and includes several schools including, but not limited to the Facilities; and

**WHEREAS**, pursuant to the Syracuse Schools Act, in connection with the Agency financing of the costs of a "project" as defined in and undertaken pursuant to the Syracuse Schools Act, the City and SCSD may grant a leasehold or license interest in existing school buildings and existing school building sites comprising a project; and

**WHEREAS**, in order to finance a portion of the costs of the design, rehabilitation, reconstruction and equipping of the Facilities in furtherance of the Program and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2018A Bonds described herein and fund capitalized interest and a debt service reserve fund, if any, the Agency adopted an inducement resolution on January 16, 2018 (the "**Inducement Resolution**") and a bond resolution on January 16, 2018, (the "**Bond Resolution**") and together with the Inducement Resolution, the "**Resolution**"), authorizing the issuance of one or more series of its revenue bonds in the aggregate principal amount not to exceed to \$82,000,000 (the "**Series 2018A Bonds**") pursuant to the IDA Act, the Syracuse Schools Act, the Resolution and an Indenture of Trust (Series 2018A Project), dated as of even date herewith (as the same may be amended or supplemented, the "**Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"), to effect the financing of a portion of the cost of the Program, the acceptance of a license and bill of sale in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency for purposes of completing the Facilities and the sale of such interests pursuant to an Installment Sale Agreement (as defined below); and

**WHEREAS**, the Agency will sell its interest in the Facilities to the City and the SCSD pursuant to Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), amending an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated July 1, 2009 (the "**First Amended Agreement**"), Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"), Amendment No. 3 to the Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**") and Amendment No. 4 to the Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**") and together with Original Agreement, the First Amended Agreement, Second Amendment Agreement, the Third Amended Agreement and the Fifth Amended Agreement, each among the Agency, the City the SCSD and the JSCB and as the same may be further amended or supplemented, from time to time, the "**Installment Sale Agreement**" or the "**Agreement**"; and

**WHEREAS**, for the purpose of undertaking and completing a Project, the Agency proposes to acquire from the City and SCSD the right to enter upon the existing school buildings and land comprising the existing school building sites (as more fully described in Exhibit A attached hereto) (collectively the “*Premises*”) pursuant to this License Agreement; and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State of New York in connection with or which are conditions precedent to the due authorization, execution and delivery of this License have happened, occurred and been taken by the School Parties;

**NOW, THEREFORE**, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

**SECTION 1. LICENSE TO COMPLETE PROJECT.** The City and the SCSD hereby grant to the Agency a non-exclusive license to enter upon the Premises for the purpose of undertaking and completing one or more projects under the Program, as more fully described in the Resolution, to have and to hold the same unto the Agency and its assigns from the date of the execution and delivery hereof until the completion date of the Series 2018A Project (as defined in the Indenture), and as more particularly described in Section 2.3 of the Installment Sale Agreement.

**SECTION 2. LIMITED LIABILITY.**

(A) The obligations and agreements of the Agency contained herein and in any other instrument or document executed in connection herewith and any instrument or document supplemental hereto shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the JSCB) or employee of the Agency in his individual capacity, and the members, officers, agents (other than the JSCB) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or, except as provided in the Agreement, the City and neither the State of New York nor except as provided in the Installment Sale Agreement, City shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Facilities.

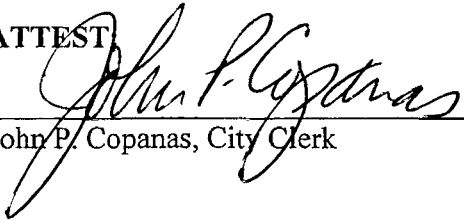
(C) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless: (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order of decree of specific performance, and ten days shall have elapsed from the

date of receipt of such request, and the Agency shall have refused to comply with such request, (or if compliance therewith would reasonably be expected to take longer than ten days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses and; (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the JSCB) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Agency and its members, officers, agents (other than the JSCB) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency shall furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents (other than the JSCB) and employees against all liability expected to be incurred as a result of compliance with such request.


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IN WITNESS WHEREOF, the City and the SCSD and the Agency have caused this Fourth Amendatory License Agreement to be executed in their respective names by their duly authorized officers and to be dated as of the day and year first above written.

ATTEST

  
\_\_\_\_\_  
John P. Copanas, City Clerk

CITY OF SYRACUSE

By:   
\_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

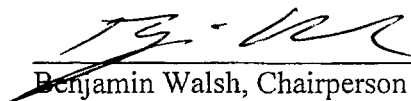
Acknowledged:

CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE

By: SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,  
its duly authorized agent

By:   
\_\_\_\_\_  
Benjamin Walsh, Chairperson

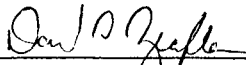
CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Honora Spillane, Executive Director



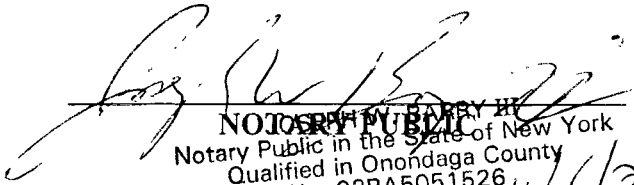
STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **DAVID DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
DAVID S. ZEAFLA  
Notary Public, State of New York  
No. 02E780140  
Qualified in Onondaga County  
My Commission Expires 2022

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
Joseph M. Barry III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526  
My Commission Expires 11/6/21

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
**NOTARY PUBLIC**

**IN WITNESS WHEREOF**, the City and the SCSD and the Agency have caused this Fourth Amendatory License Agreement to be executed in their respective names by their duly authorized officers and to be dated as of the day and year first above written.

**ATTEST:**

**CITY OF SYRACUSE**

\_\_\_\_\_  
John P. Copanas, City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Honora Spillane, Executive Director

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **DAVID DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the 14 day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

DONNA L. HARRIS  
NOTARY PUBLIC STATE OF NEW YORK  
COUNTY OF MADISON  
NO. 01HA6102672  
COMMISSION EXP. DECEMBER 8, 2019

  
\_\_\_\_\_  
NOTARY PUBLIC

**IN WITNESS WHEREOF**, the City and the SCSD and the Agency have caused this Fourth Amendatory License Agreement to be executed in their respective names by their duly authorized officers and to be dated as of the day and year first above written.

**ATTEST:**

**CITY OF SYRACUSE**

\_\_\_\_\_  
John P. Copanas, City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By:   
\_\_\_\_\_  
Honora Spillane, Executive Director

STATE OF NEW YORK ) SS:  
COUNTY OF ONONDAGA )

On the 14<sup>th</sup> day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **HONORA SPILLANE** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co No. 01MC5055591  
Commission Expires on Feb. 12, 2022

## **EXHIBIT A**

### **DESCRIPTION OF THE PREMISES**

1. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
2. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
3. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
4. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

**BILL OF SALE TO AGENCY**

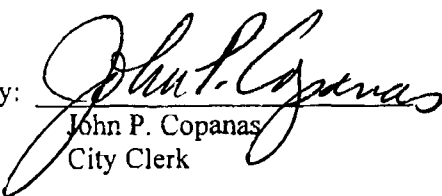
**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at City Hall, 233 East Washington Street, Syracuse, New York 13202 (the "*Agency*"), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2008A Bonds (as defined in that certain Installment Sale Agreement dated as of March 1, 2008 (the "*Installment Sale Agreement*") among the Agency, the City, the SCSD and Syracuse Joint Schools Construction Board) and additions thereto and substitutes therefor, as listed on Schedule "A" attached hereto and made a part hereof. Capitalized terms used herein and in Schedule "A" shall have the meaning given to them in the Installment Sale Agreement.


**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2008.

**ATTEST:**

**CITY OF SYRACUSE**

By:   
John P. Copanas  
City Clerk

By:   
Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: \_\_\_\_\_  
Daniel G. Lowengard  
Superintendent

**BILL OF SALE TO AGENCY**

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at City Hall, 233 East Washington Street, Syracuse, New York 13202 (the "*Agency*"), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2008A Bonds (as defined in that certain Installment Sale Agreement dated as of March 1, 2008 (the "*Installment Sale Agreement*") among the Agency, the City, the SCSD and Syracuse Joint Schools Construction Board) and additions thereto and substitutes therefor, as listed on Schedule "A" attached hereto and made a part hereof. Capitalized terms used herein and in Schedule "A" shall have the meaning given to them in the Installment Sale Agreement.

**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2008.

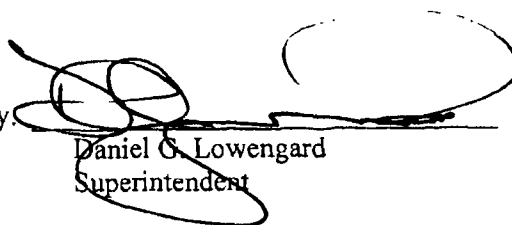
**ATTEST:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By:   
Daniel G. Lowengard  
Superintendent



## **SCHEDULE "A"**

### **DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2008A Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

## AMENDATORY BILL OF SALE TO AGENCY

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "**City**"), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("**SCSD**"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at City Hall, 233 East Washington Street, Syracuse, New York 13202 (the "**Agency**"), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2010 Bonds (as defined in that certain Installment Sale Agreement dated as of March 1, 2008 (the "**Original Agreement**"), as amended by Amendment No. 1 to Installment Sale Agreement (the "**First Amended Agreement**"), as further amended by Amendment No. 2 to Installment Sale Agreement (the "**Second Amended Agreement**") and together with the First Amended Agreement and the Original Agreement, the "**Installment Sale Agreement**") among the Agency and the City, the SCSD and Syracuse Joint Schools Construction Board and additions thereto and substitutes therefor, as listed on Schedule "A" attached hereto and made a part hereof. Capitalized terms used herein and in Schedule "A" shall have the meaning given to them in the Installment Sale Agreement.

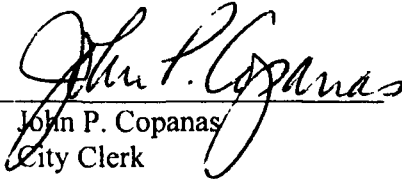
This Amendatory Bill of Sale supplements and amends the Bill of Sale dated as of March 1, 2008 entered between the parties (the "**Bill of Sale to Agency**"). Except as supplemented and amended herein and hereby, the Bill of Sale to Agency is expressly ratified.

**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

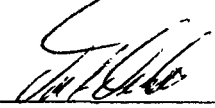
[Signature page to follow]

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of December, 2010.

**ATTEST:**

By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

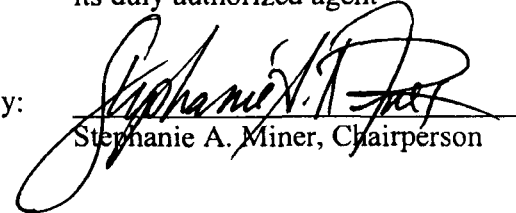
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By:   
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Stephanie A. Miner, Chairperson

## **EXHIBIT "A"**

### **TO AMENDATORY BILL OF SALE TO CITY**

#### **DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2010 Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

## SECOND AMENDATORY BILL OF SALE TO AGENCY

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "**City**"), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("**SCSD**"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at City Hall, 233 East Washington Street, Syracuse, New York 13202 (the "**Agency**"), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2011 Bonds (as defined in that certain Installment Sale Agreement dated as of March 1, 2008 (the "**Original Agreement**"), as amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"), as further amended by Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**") as further amended by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"), and together with the Second Amended Agreement, the First Amended Agreement and the Original Agreement, the "**Installment Sale Agreement**") among the Agency, the City, the SCSD and the Syracuse Joint Schools Construction Board; and any and all additions thereto and substitutes therefor, as listed on Schedule "A" attached hereto and made a part hereof. Capitalized terms used herein and in Schedule "A" shall have the meaning given to them in the Installment Sale Agreement.

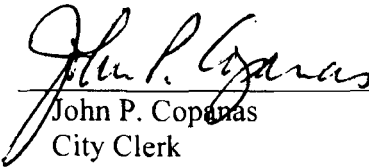
This Second Amendatory Bill of Sale supplements and amends the Bill of Sale dated as of March 1, 2008 entered between the parties (the "**Bill of Sale to Agency**") and the Amendatory Bill of Sale dated as of December 1, 2010 between the parties (the "**Amendatory Bill of Sale to Agency**"). Except as supplemented and amended herein and hereby, the Bill of Sale to Agency and the Amendatory Bill of Sale to Agency are expressly ratified.

**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

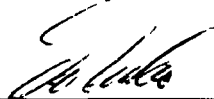
[Signature page to follow]

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of July, 2011.

**ATTEST:**

By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

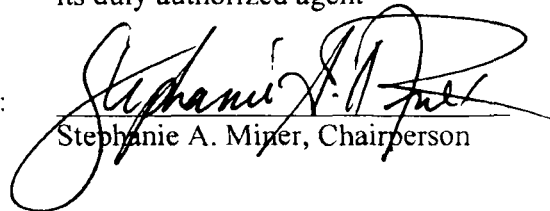
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By:   
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Stephanie A. Miner, Chairperson

**EXHIBIT "A"**

**TO AMENDATORY BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2011 Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

### THIRD AMENDATORY BILL OF SALE TO AGENCY

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the “**City**”), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education (“**SCSD**”), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202 (the “**Agency**”), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2018A Bonds (as defined in that certain Amendment No. 5 to Installment Sale Agreement, dated as of March 1, 2018 (the “**Fifth Amended Agreement**”) amendatory of an Installment Sale Agreement dated as of March 1, 2008 (the “**Original Agreement**”), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the “**First Amended Agreement**”), Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the “**Second Amended Agreement**”), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the “**Third Amended Agreement**”) and Amendment No. 4 to Installment Sale Agreement, dated as of April 1, 2017 (the “**Fourth Amended Agreement**” and together with the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement, the Original Agreement and this Fifth Amended Agreement, collectively, the “**Installment Sale Agreement**”) each among the Agency, the City, the SCSD and the Syracuse Joint Schools Construction Board; and any and all additions thereto and substitutes therefor, as listed on Schedule “A” attached hereto and made a part hereof. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Installment Sale Agreement.

This Third Amendatory Bill of Sale supplements and amends the Bill of Sale dated as of March 1, 2008 entered between the parties (the “**Bill of Sale to Agency**”), the Amendatory Bill of Sale dated as of December 1, 2010 between the parties (the “**Amendatory Bill of Sale to Agency**”) and the Second Amendatory Bill of Sale dated as of July 1, 2011 between the parties (the “**Second Amendatory Bill of Sale**”). Except as supplemented and amended herein and hereby, the Bill of Sale to Agency, the Amendatory Bill of Sale to Agency and the Second Amendatory Bill of Sale are expressly ratified.

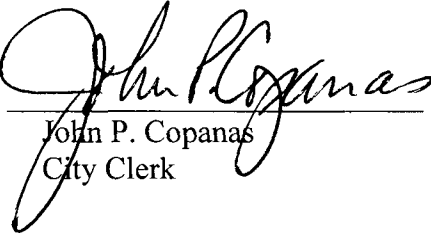
**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

[Signature page to follow]




**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

**ATTEST:**

By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

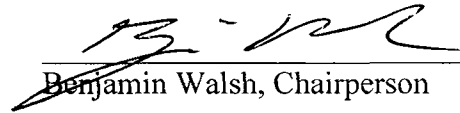
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

**ATTEST:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**  
**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**EXHIBIT "A"**

**TO AMENDATORY BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or financed with the proceeds of the Series 2018A Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

---

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

and

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

---

**INSTALLMENT SALE AGREEMENT  
(SERIES 2008 PROJECT)**

---

Dated as of March 1, 2008

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2008A

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**TABLE OF CONTENTS**

|                    | <b>Page</b>  |
|--------------------|--|
| <b>ARTICLE I</b>   | <b>DEFINITIONS AND CONSTRUCTION..... 5</b>   |
| Section 1.1.       | Definitions..... 5   |
| Section 1.2.       | Construction..... 11   |
| <b>ARTICLE II</b>  | <b>SALE OF FACILITY; AGREEMENT TERM ..... 12</b>   |
| Section 2.1.       | Sale of the Facilities..... 12   |
| Section 2.2.       | Agreement Term ..... 12  |
| Section 2.3.       | Termination of License ..... 12  |
| <b>ARTICLE III</b> | <b>SERIES 2008 PROJECT AND ISSUANCE OF<br/>SERIES 2008A BONDS..... 14</b>  |
| Section 3.1.       | The Series 2008 Project ..... 14   |
| Section 3.2.       | Project Fund ..... 16  |
| Section 3.3.       | Cooperation in Furnishing Documents ..... 17   |
| Section 3.4.       | Default in Contractors' Performance ..... 17   |
| Section 3.5.       | Issuance of Bonds ..... 18   |
| Section 3.6.       | [Reserved] ..... 18  |
| Section 3.7.       | Expenses Chargeable to the JSCB ..... 18   |
| Section 3.8.       | Additional Facilities..... 18  |
| Section 3.9.       | Use of Series 2008A Bond Proceeds ..... 19   |
| Section 3.10.      | No Warranty of Condition or Suitability ..... 19   |
| <b>ARTICLE IV</b>  | <b>INSTALLMENT PURCHASE PAYMENTS AND OTHER<br/>PAYMENTS ..... 20</b>   |
| Section 4.1.       | Payment of Installment Purchase Payments ..... 20  |
| Section 4.2.       | Direction as to Payment of Installment Purchase Payments..... 21   |
| Section 4.3.       | Indemnification of the Agency and Trustee and Limitation on<br>Liability ..... 21  |
| Section 4.4.       | Nature of Obligations of the City and the SCSD ..... 22  |
| Section 4.5.       | Directed State Aid Revenues ..... 24   |
| Section 4.6.       | Assignment of Installment Purchase Payments by the Agency ..... 25   |
| Section 4.7.       | [Reserved] ..... 25  |
| Section 4.8.       | Compensation and Expenses of Trustee, Depository Bank,<br>Bond Insurer, Bond Registrar, Paying Agents and Agency..... 25 |
| Section 4.9.       | Net Agreement ..... 26   |
| <b>ARTICLE V</b>   | <b>OPERATION AND MAINTENANCE; INSURANCE;<br/>DAMAGE; DESTRUCTION AND CONDEMNATION ..... 27</b>                           |
| Section 5.1.       | Operation, Maintenance and Repair ..... 27   |
| Section 5.2.       | Utilities, Taxes and Governmental Charges ..... 27   |
| Section 5.3.       | Additions, Enlargements and Improvements ..... 27  |
| Section 5.4.       | Additional Rights of the SCSD ..... 28   |
| Section 5.5.       | Liability Insurance ..... 28   |

|                    |  |           |
|--------------------|--|-----------|
| Section 5.6.       | Damage; Destruction or Condemnation.....                       | 30        |
| <b>ARTICLE VI</b>  | <b>REPRESENTATIONS AND WARRANTIES.....</b>                     | <b>32</b> |
| Section 6.1.       | Legal Entity.....  | 32        |
| Section 6.2.       | Legal Authority.....   | 32        |
| Section 6.3.       | Due Authorization.....   | 32        |
| Section 6.4.       | Validity and Enforceability.....                               | 32        |
| Section 6.5.       | No Conflict.....   | 32        |
| Section 6.6.       | Consents and Approvals.....                                    | 32        |
| Section 6.7.       | No Defaults.....   | 33        |
| Section 6.8.       | No Litigation.....   | 33        |
| Section 6.9.       | Essentiality of Series 2008 Project.....                       | 33        |
| Section 6.10.      | Not Indebtedness of the SCSD or the City.....                  | 33        |
| Section 6.11.      | Environmental Quality Review and Historic Preservation.....    | 33        |
| Section 6.12.      | Compliance with the IDA Act and the Syracuse Schools Act.....  | 33        |
| Section 6.13.      | Use of Bond Proceeds.....                                      | 33        |
| Section 6.14.      | Governmental Approvals.....                                    | 34        |
| Section 6.15.      | Interest of Agency.....  | 34        |
| Section 6.16.      | JSCB.....  | 34        |
| Section 6.17.      | Title to Facilities.....                                       | 34        |
| Section 6.18.      | Legal Entity.....  | 34        |
| Section 6.19.      | Legal Authority.....   | 34        |
| Section 6.20.      | Due Authorization.....   | 34        |
| Section 6.21.      | Validity and Enforceability.....                               | 34        |
| Section 6.22.      | No Conflict.....   | 35        |
| Section 6.23.      | Consents and Approvals.....                                    | 35        |
| Section 6.24.      | No Defaults.....   | 35        |
| Section 6.25.      | No Litigation.....   | 35        |
| Section 6.26.      | Environmental Quality Review and Historic Preservation.....    | 35        |
| Section 6.27.      | Use of Bond Proceeds.....                                      | 35        |
| Section 6.28.      | Governmental Approvals.....                                    | 36        |
| Section 6.29.      | Agency Authorization.....                                      | 36        |
| Section 6.30.      | Determination of Public Purpose.....                           | 36        |
| <b>ARTICLE VII</b> | <b>SPECIAL COVENANTS.....</b>                                  | <b>37</b> |
| Section 7.1.       | SCSD's Right to Possession.....                                | 37        |
| Section 7.2.       | [Reserved].....  | 37        |
| Section 7.3.       | Compliance With Laws and Regulations.....                      | 37        |
| Section 7.4.       | Covenant Against Waste.....                                    | 37        |
| Section 7.5.       | Right of Inspection.....                                       | 37        |
| Section 7.6.       | Condition of Facilities.....                                   | 37        |
| Section 7.7.       | Assignment and Sale by the School Parties.....                 | 37        |
| Section 7.8.       | Use of the Facilities.....                                     | 38        |
| Section 7.9.       | Reserved.....  | 38        |
| Section 7.10.      | Compliance With Laws.....                                      | 38        |
| Section 7.11.      | Covenant Not to Affect the Tax-Exempt Status of the Bonds..... | 38        |
| Section 7.12.      | Covenants as to State Aid Depository Agreement.....            | 38        |

|                     |  |           |
|---------------------|--|-----------|
| Section 7.13.       | Filings .....  | 38        |
| Section 7.14.       | Equal Employment Opportunities.....  | 38        |
| Section 7.15.       | Release of Facilities .....  | 39        |
| Section 7.16.       | No-Default Certificates .....  | 39        |
| Section 7.17.       | Further Assurances.....  | 40        |
| Section 7.18.       | Recording and Filing.....  | 40        |
| Section 7.19.       | Furnishing of Information.....   | 40        |
| Section 7.20.       | Use of Bond Proceeds.....  | 40        |
| Section 7.21.       | Compliance With Requirements for State Aid to Education and<br>Other State and/or School Aid ..... | 40        |
| Section 7.22.       | No Impairment of Pledge of State Aid to Education and Other<br>State and/or School Aid .....       | 41        |
| Section 7.23.       | Financial and Other Information to the Bond Insurer.....   | 41        |
| <b>ARTICLE VIII</b> | <b>EVENTS OF DEFAULT AND REMEDIES .....</b>  | <b>42</b> |
| Section 8.1.        | Events of Default .....  | 42        |
| Section 8.2.        | Remedies.....  | 43        |
| Section 8.3.        | Cure.....  | 43        |
| Section 8.4.        | No Remedy Exclusive.....   | 44        |
| Section 8.5.        | Waiver and Non-Waiver .....  | 44        |
| Section 8.6.        | Effect on Discontinuance of Proceedings.....   | 44        |
| Section 8.7.        | Agreement to Pay Attorneys' Fees and Expenses .....  | 44        |
| <b>ARTICLE IX</b>   | <b>LIMITATIONS ON TERMINATION OF AGREEMENT.....</b>  | <b>45</b> |
| Section 9.1.        | Limitations on Termination of Agreement .....  | 45        |
| <b>ARTICLE X</b>    | <b>MISCELLANEOUS .....</b>   | <b>45</b> |
| Section 10.1.       | [Reserved].....  | 45        |
| Section 10.2.       | Successors and Assigns.....  | 45        |
| Section 10.3.       | Severability .....   | 45        |
| Section 10.4.       | Amendments, Changes and Modifications .....  | 45        |
| Section 10.5.       | Amounts Remaining Under the Indenture .....  | 45        |
| Section 10.6.       | Compliance with Indenture.....   | 45        |
| Section 10.7.       | Investment of Moneys.....  | 46        |
| Section 10.8.       | Disclaimer of Personal Liability .....   | 46        |
| Section 10.9.       | Effective Date; Counterparts.....  | 46        |
| Section 10.10.      | Headings .....   | 46        |
| Section 10.11.      | Notices .....  | 46        |
| Section 10.12.      | Prior Agreements Superseded.....   | 47        |
| Section 10.13.      | Governing Laws.....  | 47        |
| Section 10.14.      | Binding Effect.....  | 47        |
| Section 10.15.      | Investment of Funds.....   | 47        |
| Section 10.16.      | Waiver of Trial by Jury.....   | 47        |
| Section 10.17.      | Non-Discrimination .....   | 47        |
| Section 10.18.      | Limitation on Liability of the Agency or the State .....   | 48        |
| Section 10.19.      | Date of Agreement for Reference Purposes Only.....   | 48        |

## INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)

**THIS INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)**, made and entered into as of March 1, 2008 (this "*Agreement*"), by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at City Hall, 223 East Washington Street, Syracuse, New York 13202, **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, and **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, established pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State of New York and an intermunicipal agreement dated as of April 1, 2004, between the City and SCSD ("*JSCB*"), having its principal office at City Hall, Syracuse, New York 13202:

### WITNESSETH:

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the "*State*") and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State has determined that many of the existing school buildings of the SCSD are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State (the "*Syracuse Schools Act*"), the City and the SCSD entered into an intermunicipal agreement dated as of April 1, 2004, pursuant to the General Municipal Law of the State and the charter of the City and established the JSCB to act as agent of the City, the SCSD or both to enter into



contracts with respect to a project as defined in and undertaken pursuant to the Syracuse Schools Act (as so defined, a "Project"); and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, pursuant to the Syracuse Schools Act, a Project undertaken pursuant to the Syracuse Schools Act has been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations and has received a proper application from the JSCB, acting on behalf of the SCSD and the City, for the first phase of the Projects (the "Phase I") to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD's public schools (the "Program"), to induce the Agency to (a) acquire an interest in and (b) undertake (i) the rehabilitation and/or reconstruction of certain existing public schools (including additions to an existing school building and construction or reconstruction of athletic fields, playgrounds and other recreational facilities for such existing school buildings and/or the acquisition and installation of all Equipment (as defined herein) necessary and attendant to and for the use of such existing school building) of the City and the SCSD located within the City (collectively, the "Facilities"), at the sites listed in Exhibit A attached hereto and made a part hereof, and (ii) the financing thereof; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Phase I will assist the SCSD and the City in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, as a result of such negotiations, the JSCB has requested the Agency to issue its revenue bonds from time to time in one or more Series through multiple indentures of trust in an aggregate principal amount not to exceed \$180,000,000 to effect such financing; and

**WHEREAS**, the Agency adopted a resolution on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, authorizing the issuance of its revenue bonds to effect the financing of the Facilities, the acceptance of a license and bill of sale in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency to complete the Series 2008 Project (as defined below) and the sale of the Agency's interests in and to the Facilities pursuant to this Agreement to the City and the SCSD; and

**WHEREAS**, in order to finance a portion of the costs of the Facilities, in furtherance of the Program and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2008A Bonds described herein, the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$49,230,000 (the "Series 2008A Bonds"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency

adopted on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, and an Indenture of Trust (Series 2008 Project), dated as of even date herewith (as the same may be amended or supplemented, the "*Indenture*"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"); and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by Financial Security Assurance Inc. (the "*Series 2008A Bond Insurer*"), which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, the City and the SCSD have granted to the Agency a license in and to the existing school buildings and existing school building sites comprising the Facilities and, pursuant to a bill of sale, conveyed their respective interests in the Equipment to the Agency; and

**WHEREAS**, the Agency will appoint the JSCB as its agent pursuant to this Agreement for the purpose of completing the Series 2008 Project; and

**WHEREAS**, the Agency will sell its interest in the Facilities to the City and the SCSD pursuant to this Agreement; and

**WHEREAS**, it is contemplated that the Agency or other public entity will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, concurrently with the execution hereof, the SCSD and the City will enter into a State Aid Depository Agreement, dated as of even date herewith (the "*State Aid Depository Agreement*"), with Manufacturers and Traders Trust Company, Buffalo, New York, acting as Depository Bank, to provide for, among other things, the payment of all State Aid to Education (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository Bank for periodic transfer to the Bond Fund and equivalent fund established under each Series Indenture (including the Indenture) toward payment of the Series 2008A Bonds and each other series of Project Bonds (as defined herein) issued under a Series Indenture, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund and equivalent fund, if any, established under a Series Indenture (including the Indenture), and the balance to the General Fund (also as defined therein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City or the SCSD shall fail to make a payment due under this Agreement or any other Series Facilities Agreement (as defined herein), the Agency (or the related Series Trustee acting on its behalf) shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the SCSD or the City for the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State of New York in connection with or which are conditions precedent to the due authorization,

execution and delivery of this Agreement have happened, occurred and been taken by the Agency, the City, the SCSD and the JSCB;

**NOW, THEREFORE,** in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (*provided that* in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or a general obligation of the City, and the State of New York shall not be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under this Agreement).

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION

**Section 1.1. Definitions.** Terms not otherwise defined herein shall have the same meanings as used in the Indenture or the State Aid Depository Agreement hereinbelow defined. The following terms shall have the respective meanings in this Agreement:

Additional Facilities shall mean any public school buildings of the City and/or the SCSD as shall after the Closing Date become subject to a Series Facilities Agreement other than this Agreement; *provided, however*, that to the extent that only items of machinery, equipment, furniture, furnishings or fixtures located within a public school building owned by the City and/or the SCSD shall be financed in whole or in part from a Series of Project Bonds, then "Additional Facilities" shall mean only such items so financed and all replacements, repairs or additions thereto.

Additional Payments shall mean all amounts payable by the SCSD and/or the City under this Agreement, other than for Installment Purchase Payments.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Agreement shall mean this Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, among the Agency, the City, the SCSD and the JSCB and shall include any and all amendments and supplements hereto hereafter made in conformity herewith and with the Indenture.

Agreement Term shall mean the duration of this Agreement, as specified in Section 2.2 hereof.

Architect shall mean, with respect to the Central Tech Project, Thomas Associates Architects & Engineers and, with respect to the Design Phase, the respective architect or engineer licensed in the State and selected by the JSCB to prepare Plans and Specifications with respect to a Facility included in the Design Phase.

Authorized Representative shall mean (i) in the case of the Agency, the Chairman, Vice Chairman, or Secretary of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, (ii) in the case of the Program Manager, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Program Manager, or any officer or employee of the Program Manager authorized to perform specific acts or to discharge specific duties, (iii) in the case of the SCSD, the Superintendent of the SCSD, the President of the Board of Education or any other officer or employee of the SCSD authorized to so act, (iv) in the case of the JSCB, the Chairperson or any other representative or agent authorized by the JSCB to so act, and (v) in the case of the City, the Mayor, the Commissioner of

Finance, the City Engineer or any other officer or employee authorized by the City to so act; *provided, however*, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Base Installment Purchase Payment Date shall mean, in the case of the Series 2008A Bonds, April 1 of each year, commencing April 1, 2009, all as set forth in Schedule A to this Agreement.

Base Installment Purchase Payments shall mean those installment purchase payments payable by the City and SCSD pursuant to Section 4.1(a) hereof.

Bill of Sale to Agency shall mean the Bill of Sale (Series 2008 Project) dated as of March 1, 2008 and delivered on the Closing Date from the SCSD and the City to the Agency conveying an interest in all items of Equipment.

Bill of Sale to City and SCSD shall mean the Bill of Sale (Series 2008 Project) from the Agency to the City and the SCSD conveying all of the Agency's interest in the Facility to the City and the SCSD, substantially in the form attached as Exhibit A to this Agreement.

Board of Education shall mean the Board of Education of the City School District of the City of Syracuse.

Bonds shall mean the Series 2008A Bonds and any Series of Additional Bonds issued under the Indenture.

Central Tech Project shall mean the construction of an addition to, and rehabilitation of, the Institute of Technology at Syracuse Central and the acquisition and installation therein of Equipment, the costs of which are being financed by the Series 2008A Bonds.

City shall mean the City of Syracuse, New York.

City Engineer shall mean the Person appointed by the Mayor pursuant to the City Charter as City Engineer.

Closing Date shall mean the date of the original issuance and delivery of the Series 2008A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Construction Contract shall mean one or more contracts procured by the JSCB on behalf of the City and the SCSD in consultation with the City Engineer and the Program Manager and in accordance with Section 103 of the New York General Municipal Law or the Syracuse Schools Act with contractors for the work and materials required to complete the Facilities.

County shall mean Onondaga County, New York.

Depository Bank shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns.

Design Phase shall mean the design and preparation of Plans and Specifications for the construction, reconstruction, rehabilitation and equipping of the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of even date herewith, from the SCSD and the City for the benefit of the Agency, as amended or supplemented.

Equipment shall mean all items of machinery, equipment, furniture, furnishings and fixtures necessary or attendant to the use of a Facility.

Event of Default or event of default shall mean an "event of default" described in Section 8.1 of this Agreement.

Event of Nonappropriation shall mean the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid hereunder, as a result of (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid hereunder or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid hereunder and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional Payments after appropriation by the City therefor.

Facility or Facilities shall mean, as applicable, each existing school building owned by the City and/or the SCSD and described in the Description of Facilities in Exhibit A attached hereto and made a part hereof, including the land upon which such school is located and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 3.1 hereof and the Construction Contracts), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto, together with all items of Equipment located and used therein from time to time; *provided, however*, that (y) to the extent that only items of Equipment or fixtures located within an existing school building owned by the City and/or the SCSD shall be financed in whole or in part from the proceeds of the Series 2008A Bonds, then "Facility" shall mean only such items so financed and all replacements, repairs or additions thereto, and (z) to the extent that an item of property constituting a fixture located at an existing school building is financed in whole or in part from the proceeds of the Series 2008A Bonds, and such existing school building shall not otherwise itself be included within the Facilities subject to the

License and this Agreement, then such fixture shall be deemed property severable from the remainder of the existing school building and thereby subject to the License and to this Agreement.

Fiscal Year shall mean a year commencing on July 1 and ending on the next succeeding June 30.

Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of even date herewith, between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean, collectively, the Base Installment Purchase Payments and the Reserve Payments.

Intermunicipal Agreement shall mean the intermunicipal agreement dated as of April 1, 2004, between the City and SCSD, as amended or supplemented.

License shall mean the License Agreement (Series 2008 Project), dated as of even date herewith, between the City and the SCSD, as licensor, and the Agency, as licensee, with respect to the Facilities, as amended or supplemented.

Net Base Facilities Agreement Payment shall mean the Base Installment Purchase Payment as reduced by any credits from amounts available in the Bond Fund.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed on record which are being contested in good faith and have not proceeded to judgment;

(ii) the liens of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby any of the affected Facility or the interest of the City or the SCSD therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to any Facility which do not in the aggregate materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(v) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vi) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of a Facility which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vii) any obligations or duties affecting any portion of a Facility of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(viii) present or future valid zoning laws or ordinances;

(ix) this Agreement, the Indenture and the License;

(x) the liens of any Series License, Series Facilities Agreement or Series Indenture;  
and

(xi) any other lien which, in the opinion of counsel to the City delivered and addressed to the Agency, the Series 2008A Bond Insurer and the Trustee, will not have a material adverse effect upon the obligations of the School Parties under this Agreement.

Plans and Specifications shall mean, as to a particular Facility, the plans and specifications for the construction, reconstruction, rehabilitation and/or equipping of such Facility, prepared by the Architect and approved by the City, the SCSD and the New York State Education Department, including site plans, as the same may be amended from time to time.

Program Manager means Gilbane Building Company, a Rhode Island corporation.

Program Manager Agreement shall mean the Program Manager Agreement, dated December 5, 2007, between the JSCB, on its own behalf and as agent for the City and SCSD, and the Program Manager, pursuant to which the Program Manager has undertaken to manage the Series 2008 Project, as the same may be amended and supplemented from time to time in accordance therewith.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Documents shall mean, collectively, the Security Documents, the License, the Bill of Sale to Agency, the State Aid Depository Agreement, the Program Manager Agreement, the Intermunicipal Agreement and the Environmental Compliance Agreement.

Reserve Payments shall mean those payments payable by the City and SCSD pursuant to Section 4.1(b) hereof.

Reserved Rights shall have the meaning assigned to that term under the Indenture.



School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Series Facilities Agreement shall mean this Agreement and each other installment sale agreement or facilities lease agreement pursuant to which the Agency or any other public entity shall sell, lease or sublease Additional Facilities to the City and the SCSD and appoint the JSCB as its agent for purposes of completion of such Additional Facilities, and the City and SCSD shall be obligated to make installment purchase payments or rental payments, as applicable, with respect to a Series of Project Bonds upon terms substantively comparable to that provided in Article IV of this Agreement.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a Series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series License shall mean the License and each other lease or license agreement by the City and/or the SCSD to the Agency or other public entity of Additional Facilities to be financed in whole or in part with a Series of Project Bonds.

Series 2008A Bonds shall mean the \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A of the Agency issued, executed, authenticated and delivered under the Indenture.

Series 2008 Project shall mean, collectively, the Central Tech Project and the Design Phase.

Series Trustee shall mean the Trustee and each financial institution acting as Trustee under a Series Indenture (other than the Indenture).

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of even date herewith, among the SCSD, the City and the Depository Bank, and shall include any and all further amendments or restatements thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Yield shall have the meaning set forth for such term in the Tax Compliance Documents.

**Section 1.2. Construction.** In this Agreement, unless the context otherwise requires:

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Closing Date.

Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

## ARTICLE II

### SALE OF FACILITIES; AGREEMENT TERM

**Section 2.1. Sale of the Facilities.** The Agency hereby sells to the City and the SCSD, and the City and the SCSD hereby purchase from the Agency (both sale and purchase to be effective on the Closing Date), the Agency's interest in the existing school buildings and existing school building sites comprising the Facilities and the Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions herein set forth. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be occupied, maintained, used and operated, (a) in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the date hereof and (b) as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to this Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

**Section 2.2. Agreement Term.** The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Bonds shall cease to be Outstanding and the lien of the Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Agency hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Agency makes no representations whatsoever in connection with the condition of any of the Facilities, and the Agency shall not be liable for any defects therein.

#### **Section 2.3. Termination of License.**

(a) The Agency's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Agency to the SCSD and the City upon the date of completion or abandonment of the Series 2008 Project as evidenced by the certificate of the JSCB delivered pursuant to Section 3.1(j) hereof.

(b) The sale and conveyance of the interest in and to the Facilities shall be effected by the delivery by the Agency to the SCSD and the City of the Notice of Termination of License to the SCSD and the City (in substantially the form attached hereto as Exhibit B and by this reference made a part hereof) and the Bill of Sale to City and SCSD (in substantially the form attached hereto as Exhibit C and by this reference made a part hereof).

(c) The SCSD and the City agree to prepare the Notice of Termination of License and Bill of Sale to City and SCSD and to forward same to the Agency at least thirty (30) days prior to the date that the Facilities or any portion thereof is to be conveyed to the SCSD and the City.

(d) Each of the SCSD and the City hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfer contemplated by this Section 2.3.

(e) This Agreement shall survive the transfer of the Agency's interest in the Facilities to the SCSD and the City pursuant to this Section 2.3 and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the obligations of the School Parties shall survive as set forth in Section 4.3 hereof.

(f) Upon the payment in full of all indebtedness under or secured by this Agreement or the other Project Documents, and notwithstanding the survival of certain obligations of the School Parties as described in Section 4.3 hereof, the Agency and the Trustee shall upon the request of the SCSD and the City execute and deliver to the SCSD and the City such documents as the SCSD and the City may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Agency and the Trustee under the Project Documents.

## ARTICLE III

### SERIES 2008 PROJECT AND ISSUANCE OF SERIES 2008A BONDS

#### **Section 3.1. The Series 2008 Project.**

(a) Pursuant to the License and the Bill of Sale to Agency, respectively, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and title to the Equipment, which interest and title the Agency is hereby selling to the SCSD, subject to the terms and conditions herein set forth.

(b) As promptly as practicable after receipt of the proceeds of sale of the Series 2008A Bonds and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Indenture. The JSCB reasonably believes that the Central Tech Project pursuant to the applicable Plans and Specifications will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Central Tech Project and the Design Phase to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted. The City and the SCSD agree that no delay in the completion of the Central Tech Project or the Design Phase shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the Closing Date will enter into one or more Construction Contracts for completion of the Central Tech Project in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Agency shall expressly provide that the Agency shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Agency shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the work with respect to the Central Tech Project or the Design Phase in full, none of the School Parties shall be entitled to any reimbursement therefor from the Agency, the Series 2008A Bond Insurer, the Trustee or the Holders of any of the Series 2008A Bonds (except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Installment Purchase Payments or Additional Payments to be made under this Agreement.

(c) As between the Agency and the JSCB, the JSCB, acting specifically as agent for the benefit of the Agency, shall be responsible for the letting and supervision of

contracts for the construction, rehabilitation, reconstruction and equipping of a Facility, acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Agency.

(d) In order to accomplish the purposes of the Agency, and to assure the effectuation of the Series 2008 Project in conformity with the Plans and Specifications, the School Parties have undertaken to proceed with the design of the Central Tech Project, all either on their own or, in the case of the JSCB, as agent for the Agency.

(e) As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Agency pursuant to the License and Bill of Sale to Agency, the delivery of any instruments and documents and their filing and recording, if required, (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer, and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds (or any Series of Additional Bonds).

(f) None of the School Parties will terminate the Intermunicipal Agreement or be excused from performing its obligations thereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement. The City and the SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be required to complete the Series 2008 Project. The City and SCSD acknowledge that pursuant to the Syracuse Schools Act, all contracts, agreements and obligations of the JSCB are entered into and made on behalf of the City and the SCSD and in the event that the JSCB shall cease to exist for any reason whatsoever during the term of this Agreement, this Agreement, the Program Manager Agreement and any other contract, agreement or obligation of the JSCB relating to the Facilities shall remain in full force and effect and the City and SCSD shall stand jointly in the place and stead of the JSCB thereunder.

(g) The JSCB covenants that, at all times as it shall be effecting the work of the Series 2008 Project, it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as provided in Section 5.5 of this Agreement. Upon completion of the work with respect to a Facility, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from

appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Facility for the purposes contemplated by this Agreement and shall furnish copies of same to the Trustee immediately upon receipt thereof.

(h) The JSCB further covenants that all contracts entered into by the JSCB for the Series 2008 Project in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

(i) The JSCB covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Agency as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Agency appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

(j) Upon the completion or abandonment by the JSCB of the Series 2008 Project or any portion thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Agency and the Trustee to such effect.

(k) The City agrees to keep and make open to public inspection copies of all payment and performance bonds required by the Syracuse Schools Act and Section 3.1(h) hereof.

### **Section 3.2. Project Fund.**

(a) The Agency has in the Indenture authorized and directed the Trustee to make payments from the Project Fund from time to time to pay the cost of the construction, rehabilitation, reconstruction, and/or equipping of a Facility upon receipt of a requisition signed by an Authorized Representative of the JSCB, in the form set forth in the Indenture, *provided, however*, that for so long as an Event of Default shall exist, no such requisition shall be honored without the prior written consent of the Series 2008A Bond Insurer.

(b) The date of completion of the work for a Facility shall be evidenced to the Agency and the Trustee by a certificate of the JSCB executed by an Authorized Representative of the JSCB stating, except for any costs not then due and payable or the liability for payment of

which is being contested or disputed in good faith by the JSCB (i) the date of completion of such work; (ii) that the related Facility has been completed substantially in accordance with the Plans and Specifications and all labor, services, Equipment, materials and supplies used therefor have been paid for; (iii) that all other facilities necessary in connection with such Facility have been completed and all costs and expenses incurred in connection therewith have been paid; (iv) that all property of such Facility is subject to this Agreement; (v) that, in accordance with all applicable laws, regulations, ordinances and guidelines, such Facility has been made ready for occupancy, use and operation for its intended purposes; (vi) the amount, if any, required in his opinion for the payment of any remaining part of the costs with respect to such Facility; and (vii) the amount of the proceeds of the Series 2008A Bonds, including the investment earnings thereon, expended with respect to such Facility. The foregoing certificate shall be accompanied by a certificate executed by an Authorized Representative of the City certifying as to the determination of the Rebate Amount as provided in the Tax Compliance Documents and the Indenture. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Agency, the Trustee or the School Parties against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.2 of the Indenture, and (z) that no Person other than the Agency and the Trustee may benefit therefrom. Such certificate of the Authorized Representative of the JSCB shall be accompanied by (i) a temporary or permanent certificate of occupancy and any and all permissions, approvals, licenses or consents required of governmental authorities for the occupancy, operation and use of the completed Facility for the purposes contemplated by this Agreement and the Syracuse Schools Act; (ii) a certificate of the JSCB executed by an Authorized Representative of the JSCB that all costs of the completed Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with such Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute in excess of \$100,000, evidence to the Trustee that such costs have been appropriately bonded or that the JSCB shall have or caused to be posted a surety or security at least equal to the amount of such costs); and (iii) such additional documentation, if any, as required by the Indenture. Upon a determination by the JSCB that the amount on deposit in the Account in the Project Fund established with respect to the Central Tech Project and the Design Phase is sufficient to pay all remaining Project Costs thereof, the JSCB shall deliver to the Trustee a Project Fund Sufficiency Certificate (as defined in the Indenture) signed by an Authorized Representative of the JSCB.

**Section 3.3. Cooperation in Furnishing Documents.** The JSCB agrees to furnish to the Trustee any documents that are required to effect payments out of the Project Fund in accordance with Section 3.2 hereof. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the Indenture.

**Section 3.4. Default in Contractors' Performance.** In the event of default of any contractor or subcontractor under any contract made in connection with a particular Facility or Facilities, each School Party will exhaust its remedies against the contractor or subcontractor so in default and against each surety for the performance of such contractor. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Project Fund.



**Section 3.5. Issuance of Bonds.** Contemporaneously with the execution and delivery of this Agreement, the Agency will sell and deliver the Series 2008A Bonds in the aggregate principal amount of \$49,230,000 under and pursuant to a resolution adopted by the Agency on March 4, 2008, authorizing the issuance of the Series 2008A Bonds under and pursuant to the Indenture for the purpose of financing Project Costs of the Central Tech Project and the Design Phase. After the Closing Date, it is contemplated that Additional Bonds will be issued to finance the remaining Project Costs of the Series 2008 Project and for the other purposes set forth in Section 2.7 of the Indenture. It is contemplated that, thereafter, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities pursuant to Phases II through IV of the Program. That portion of the proceeds of sale of the Bonds deposited in the Project Fund shall be applied to the payment of Project Costs in accordance with the provisions of the Indenture.

**Section 3.6. [Reserved].**

**Section 3.7. Expenses Chargeable to the JSCB.** As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay or cause to be paid all expenses or other costs incurred in connection with the Series 2008 Project, including, but not limited to:

(a) all charges incurred in connection with the preparation, delivery, filing, recording (if required) or effectuation of any instruments of conveyance or transfer required by this Agreement, the License, Bill of Sale to Agency, the Program Manager Agreement, the Construction Contracts, the Indenture or any other Project Document;

(b) any closing costs or costs relating to issuance of a Series of Bonds other than those costs referenced in paragraph (i) above;

(c) all lawful claims which might or could if unpaid become a lien or charge on any of the Facilities;

(d) all pre-closing and post-closing taxes, assessments or other governmental or utility charges or impositions relating to any of the Facilities;

(e) the Agency's administrative fee;

(f) any legal fees or expenses incurred by the Agency or the Trustee in connection with the foregoing items of costs related to the issuance of a Series of Bonds;

(g) the State bond issuance charge; and

(h) any other costs incurred by the Agency in carrying out the Series 2008 Project.

**Section 3.8. Additional Facilities.** The Agency and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the related Series Indenture, one or more Series of Additional Bonds or additional Series of Project Bonds may be issued from

time to time pursuant to separate Series Indentures to finance the costs of the construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities or one or more Facilities included in the Design Phase.

**Section 3.9. Use of Series 2008A Bond Proceeds.** The School Parties shall use, or permit or suffer to be used, the proceeds of the Series 2008A Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Documents.

**Section 3.10. No Warranty of Condition or Suitability.** THE AGENCY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE SCHOOL PARTIES OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE SERIES 2008A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2008 PROJECT AND COMPLETE THE SERIES 2008 PROJECT. EACH SCHOOL PARTY IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO A SCHOOL PARTY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF ANY OF THE FACILITIES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

## ARTICLE IV

### INSTALLMENT PURCHASE PAYMENTS AND OTHER PAYMENTS

#### Section 4.1. Payment of Installment Purchase Payments.

(a) Subject to Section 4.4 hereof, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments for the Facilities in the amounts as set forth in Schedule A attached hereto. Base Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Trustee by no later than each Base Installment Purchase Payment Date; *provided, however*, that there shall be credited against any Base Installment Purchase Payments any amounts available for such purpose and on deposit in the Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of the Indenture and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of the Indenture and any Scheduled Debt Service Reserve Fund Earnings to the extent any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received to be deposited in any Account of the Project Fund or to satisfy any deficiency in the Debt Service Reserve Fund as required by Section 5.5 of the Indenture (such net amount being the “*Net Base Facilities Agreement Payment*”); provided, however, that upon receipt by the City and the SCSD of written notice from the Trustee that the Scheduled Debt Service Reserve Fund Earnings were not received in whole or in part, the City and the SCSD shall immediately pay to the Trustee, subject to Section 4.4 hereof, an amount equal to the deficiency (the City and the SCSD hereby acknowledging that such payment obligation is subject to the intercept provisions of the Syracuse Schools Act).

(b) Upon receipt by the City and the SCSD of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund (including any amounts deposited to the Debt Service Reserve Fund pursuant to Section 5.4 of the Indenture) shall be less than the Debt Service Reserve Requirement or upon receipt of notice that the provider of a Reserve Fund Credit Facility is owed any amounts in connection with a draw on such Reserve Account Credit Facility, the City and the SCSD shall immediately pay to the Trustee, subject to Section 4.4 hereof, for deposit in the Debt Service Reserve Fund, an amount equal to the deficiency or the amount so owed the provider of such Reserve Fund Credit Facility.

(c) The City and SCSD (at the direction of an Authorized Representative of the City) shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, together with interest accrued and to accrue and premium, if any, to be paid on a Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be specified in writing by an Authorized Representative of the City at the time of making such prepayment. Upon any such prepayment, the Trustee shall, if necessary, recalculate the schedule of Base Installment Purchase Payments set forth in Schedule A attached hereto in accordance with the Indenture and deliver a revised schedule to the City, the SCSD and the Agency, and such revised schedule shall be deemed to replace the then-existing Schedule A attached hereto.

**Section 4.2. Direction as to Payment of Installment Purchase Payments.** Base Installment Purchase Payments shall be paid to the Trustee for credit to the Bond Fund and Reserve Payments shall be paid to the Trustee for deposit to the Debt Service Reserve Fund to the extent of any deficiency therein.

**Section 4.3. Indemnification of the Agency and Trustee and Limitation on Liability.**

(a) The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Agency, the Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the “*Indemnified Parties*”) harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Series 2008 Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, rehabilitation, equipping, or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) title to any Facility or any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) this Agreement, the Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of this Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

(b) Each School Party hereby releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and the SCSD agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in subdivision (i) through (v) of Section 4.3(a) hereof or at the direction of any School Party with respect to any of such matters above referred to; *provided, however*, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to this Section 4.3; such notice shall be given in sufficient time to allow the SCSD to defend or

participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the SCSD under this Section 4.3, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD's obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.

(c) The indemnifications and protections set forth in this Section 4.3 shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the School Parties contained in this Section 4.3 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

(e) For the purposes of this Section 4.3, none of the School Parties shall be deemed an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

(f) The obligations of the SCSD to the Indemnified Parties under this Section 4.3 and to the Trustee under Section 4.8 hereof shall survive the resignation or removal of the Trustee and the satisfaction and discharge of the Indenture.

#### **Section 4.4. Nature of Obligations of the City and the SCSD.**

(a) Except as hereinafter provided in this Section 4.4, the obligation of the City and SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee, the Bond Insurer, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

(b) The obligation of the City and SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid to Education appropriated by the State and available to the City and/or the SCSD for the purpose of this Agreement and the State Aid Depository Agreement, moneys budgeted by the SCSD and appropriated by the City for such purpose and approved by the SCSD of payment thereof after appropriation by the City therefor, and no liability on account thereof shall be incurred by the SCSD or the City beyond the

amount of such moneys; *provided, however*, that the failure of the City and the SCSD for any reason (including a failure by the SCSD to budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of this Agreement and the Syracuse Schools Act, and in such event, the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. Further, the obligation of the SCSD and the City to pay Installment Purchase Payments is not a general obligation of the SCSD or the City. Neither the faith and credit nor the taxing power of the City are pledged to the payment of any Installment Purchase Payment or Additional Payment due under this Agreement. However, the obligations of the SCSD and the City under this Agreement to pay Additional Payments shall be a general obligation of the City and SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither this Agreement nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of this Agreement.

(c) The obligations of the City and the SCSD under this Agreement, including their respective obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which this Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness or moral obligation of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due hereunder shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

(d) The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, *provided, however*, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid to Education, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

(e) Subject to the limitations contained in Section 4.4(b) hereof, none of the School Parties will terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use

of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement.

(f) The School Parties presently intend to continue this Agreement for its entire term, and the City and the SCSD presently intend to pay all Base Installment Purchase Payments specified in Schedule A as such Base Installment Purchase Payments come due under the terms and provisions of this Agreement.

(g) No provision contained in this Section 4.4 shall be deemed to limit, impair or modify the intercept provisions of the Syracuse Schools Act or the application of the provisions of Section 5.4 of the Indenture.

(h) For purposes of this Section 4.4, references to the “approval” of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City’s Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

#### **Section 4.5. Directed State Aid Revenues.**

(a) Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller’s Office to deposit all State Aid to Education into the State Aid Depository Fund established under the State Aid Depository Agreement, and the Commissioner of Finance of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Depository Agreement, to transfer State Aid to Education to the Trustee and each other Series Trustee in accordance with the State Aid Depository Agreement for the purpose of, in the case of the Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and the SCSD agree not to modify the procedures set forth in the State Aid Depository Agreement for the collection, deposit or disbursement of State Aid to Education, except as and to the extent permitted under the State Aid Depository Agreement.

(b) Each of the City and the SCSD acknowledge that, pursuant to Section 5.4 of the Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under this Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget and appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Agency has appointed the Trustee to act as its agent under the Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD state and/or school aid as is payable to the City and/or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such state and/or school aid so withheld. Notwithstanding anything to the contrary contained herein, amounts of such state and/or school aid received by the Trustee on behalf of the Agency

and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

**Section 4.6. Assignment of Installment Purchase Payments by the Agency.** It is understood that this Agreement and all Installment Purchase Payments by the City and the SCSD hereunder (except Additional Payments pursuant to Sections 4.3 and 4.8 hereof and other Additional Payments and/or rights comprising the Reserved Rights) are to be pledged and assigned by the Agency to the Trustee pursuant to the Indenture, and the City and the SCSD hereby consent thereto. Except as provided in this Section 4.6 and the Indenture, the Agency shall not assign this Agreement or any Installment Purchase Payments hereunder.

**Section 4.7. [Reserved].**

**Section 4.8. Compensation and Expenses of Trustee, Depository Bank, Bond Insurer, Bond Registrar, Paying Agents and Agency.** The City and the SCSD shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following annual fees, charges and expenses and other amounts: (1) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including the fees and expenses of any accountant or other agent engaged by the Trustee for performing such services, and the fees and expenses as Bond Registrar, and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture, (2) the reasonable fees and charges of the Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Indenture, including the reasonable fees of its counsel, (3) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, (4) the initial and annual fees of the Depository Bank for the ordinary services of the Depository Bank rendered and its ordinary expenses incurred under the State Aid Depository Agreement, and (5) the fees, costs and expenses of the Bond Registrar and the fees, costs and expenses (including legal, accounting and other administrative expenses) of the Agency. The City and the SCSD shall further pay the fees, costs and expenses of the Agency together with any reasonable fees and disbursements incurred by the Agency's bond counsel and general counsel in connection with (i) the Projects or this Agreement, including fees and expenses incurred by the Agency after the occurrence and during the continuance of an Event of Default as provided in Section 8.1 of this Agreement, (ii) the negotiation and execution of this Agreement, the Indenture and other Project Documents; and (iii) any waiver, modification or amendment to this Agreement, the Indenture or any other Project Document that may be requested by a School Party or any party thereto, and consented to by the City and the SCSD, or any action by the Agency requested by a School Party thereunder. The City and the SCSD shall further pay to the Agency on the date of issuance of the Series 2008A Bonds and on the date of issuance of any Additional Bonds an amount equal to one-half of one percent (1/2 of 1%) of the principal amount of such Series of Project Bonds.

The City and the SCSD shall pay or reimburse the Bond Insurer for any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Security Document; (ii) the pursuit of any remedies under the Indenture or any



Related Security Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, any Project Document whether or not executed or completed, (iv) the violation by the Agency or a School Party of any law, rule or regulation, or any judgment, order or decree applicable to it or (v) any litigation or other dispute in connection with the Indenture or any other Project Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Project Document.

**Section 4.9. Net Agreement.** This Agreement shall be deemed and construed to be a “net agreement,” and the City and the SCSD shall pay absolutely net during the Agreement Term the Installment Purchase Payments and all other payments required hereunder, free of all deductions, without abatement, diminution and set off.

## ARTICLE V

### **OPERATION AND MAINTENANCE; INSURANCE; DAMAGE; DESTRUCTION AND CONDEMNATION**

**Section 5.1. Operation, Maintenance and Repair.** During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Agency shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD hereby agrees to assume full responsibility therefor.

#### **Section 5.2. Utilities, Taxes and Governmental Charges.**

(a) The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

(b) In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Agency, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments hereunder when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof pursuant hereto; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder.

**Section 5.3. Additions, Enlargements and Improvements.** The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto.

**Section 5.4. Additional Rights of the SCSD.** The Agency agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of the SCSD and, if not constituting part of the Series 2008 Project, shall not become subject to this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof.

**Section 5.5. Liability Insurance.**

(a) The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Agency and the Trustee until completion of the Series 2008 Project in accordance with Section 3.2(b) hereof, the following kinds and the following amounts of insurance with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

(i) During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Agency or the Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to \$20,000,000 for any one Facility;

(ii) During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of \$26,000,000 per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, *provided, however*, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and

(iii) Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Agency is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Series 2008 Project; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by law.

(b) Prior to the commencement of construction of the Facilities, the JSCB shall deliver or cause to be delivered to the Agency and to the Trustee duplicate copies of insurance policies obtained by the JSCB hereunder and/or binders evidencing compliance with the insurance requirements of this Section 5.5. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Agency and the Trustee thirty (30) days in advance of such change.

(c) At least thirty (30) days prior to the expiration of any insurance policy required under this Section 5.5, the JSCB shall furnish the Agency and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(d) All insurance required by Section 5.5(a) above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State. Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) provide that there shall be no recourse against the Agency or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(ii) provide that in respect of the interests of the Agency and the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of a School Party or any other Person and shall insure the Agency and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(iii) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency or the Trustee to the extent that such other insurance provides the Agency or the Trustee with contingent and/or excess liability insurance with respect to its interest as such in the Facilities;

(iv) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency or the Trustee until at least thirty (30) days after receipt by the Agency and the Trustee of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(v) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vi) contain such other terms and provisions as any owner or operator of facilities similar to the Facilities would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Facilities owned or operated by it.

(e) The JSCB shall, at the cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Agency or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section 5.5. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 5.5 would or might be suspended or impaired.

(f) The SCSD hereby assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Agency and the Trustee against, or to reimburse the Agency and the Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required hereby. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

#### **Section 5.6. Damage, Destruction or Condemnation.**

(a) The School Parties agree to notify the Agency and the Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty, and shall state the plans of the School Parties with respect to the repair, reconstruction and restoration of the affected Facility.

(b) If any Facility or portion thereof shall be condemned or taken by eminent domain, this Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD hereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the "*termination date*"), and the School Parties will promptly give notice thereof to the Agency and the Trustee, and shall state the plans of the School Parties with respect to the replacement or restoration of the affected Facility.

(c) If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a "*Loss Event*") at any time while this Agreement is in effect:

(i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under this Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance or any condemnation award (after payment of all reasonable expenses, costs and taxes (including attorneys' fees) (the "*Net Proceeds*") incurred in obtaining such proceeds) shall be deposited in the Project Fund, and, subject to the provisions of Section 5.6(a)(iv) below, at the option of the City, shall be applied to either (A) replace, repair, rebuild, restore or relocate the affected Facility, or

(B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Indenture; and

(iv) If the School Parties replace, repair, rebuild, restore or relocate the affected Facility, the Trustee shall disburse such proceeds from the Project Fund in the manner set forth in Section 5.2 of the Indenture to pay or reimburse the School Parties for the cost of such replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in Section 5.1(a) (iii) hereof, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than \$50,000, and (B) no Event of Default then exists under the Indenture or this Sale Agreement; the School Parties shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance herewith and with the Tax Compliance Documents.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a "project" as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the School Parties in accordance with the terms of the applicable contracts.

(d) In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the School Parties shall nonetheless complete the work and pay from their own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this Section, whether or not requiring the expenditure of the money of the School Parties, shall automatically become a part of a Facility as if the same were specifically described herein.

(e) Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Indenture or the Tax Compliance Documents, be used to redeem the Bonds as provided in the Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES

Each of the City and the SCSD hereby represents and warrants as follows:

**Section 6.1. Legal Entity.** The SCSD is a school district of the State, duly created and validly existing under the Constitution and laws of the State. The City is a municipal corporation of the State duly created and validly existing under the Constitution and laws of the State.

**Section 6.2. Legal Authority.** The School Parties have the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which any of them is a party, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.3. Due Authorization.** The City and the SCSD have duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which any School Party is a party and the performance of their respective obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of their respective approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.4. Validity and Enforceability.** This Agreement and each other Project Document to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party constitutes a legal, valid and binding obligation of the City or the SCSD, as the case may be, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.5. No Conflict.** This Agreement and each other Project Document to which the City and/or the SCSD is a party or to which the JSCB is a party on behalf of the City, the SCSD or both, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of such Person a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the City or the SCSD, as the case may be.

**Section 6.6. Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the SCSD and/or the City of its respective obligations hereunder or under any other Project Document to which the SCSD and/or the City or the JSCB,

on behalf of the City, the SCSD or both, is a party or to which it is bound or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.7. No Defaults.** Neither the City nor the SCSD is in breach of or default under any agreement or other instrument to which it or the JSCB, on behalf of the City, the SCSD or both, is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.8. No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the City or the SCSD, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or to which it is bound or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.9. Essentiality of Series 2008 Project.** Both the City and the SCSD by appropriate legislative or administrative action have determined that the Series 2008 Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City and the SCSD have further determined that the Series 2008 Project shall continue to be essential to such administration and to meet such needs throughout the Agreement Term.

**Section 6.10. Not Indebtedness of the SCSD or the City.** This Agreement and the obligations of the SCSD hereunder do not and will not constitute indebtedness or moral obligation of the SCSD or the City under Article VIII of the State Constitution or Section 20.00 of the Local Finance Law of the State nor shall they constitute a contractual obligation in excess of the amounts appropriated therefor.

**Section 6.11. Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.12. Compliance with the IDA Act and the Syracuse Schools Act.** The SCSD covenants and agrees to operate each of the Facilities or cause each of the Facilities to be operated in accordance with (i) this Agreement, (ii) as a qualified Project in accordance with and as defined under the Syracuse Schools Act, and (iii) as a "project" in accordance with the IDA Act.

**Section 6.13. Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be treated or capable of being treated on



the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License, the Bill of Sale to the Agency and to this Agreement.

**Section 6.14. Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the City and/or the SCSD in connection with (y) the execution and delivery of this Agreement and each other Project Document to which such Person shall be a party or to which it is bound, and (z) the granting of the interest in the Facilities by the SCSD and the City to the Agency pursuant to the License and Bill of Sale to Agency, have been duly obtained.

**Section 6.15. Interest of Agency.** Pursuant to the License and Bill of Sale to Agency, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and valid ownership interest in the Equipment, all of which has been sold by the Agency to the SCSD pursuant to this Agreement.

**Section 6.16. JSCB.** The SCSD and the City have duly established the JSCB pursuant to the Syracuse Schools Act and the Intermunicipal Agreement. The Intermunicipal Agreement is in full force and effect and has not been amended, modified or rescinded. This Agreement, the other Project Documents to which the JSCB, on behalf of the City, the SCSD or both, is a party and the acts, agreements and contracts of the JSCB, on behalf of the City, the SCSD or both, have been ratified and/or approved and duly authorized by the City and the SCSD, as the case may be, and constitute valid and binding obligations of the City and the SCSD, as the case may be.

**Section 6.17. Title to Facilities.** The City and the SCSD have and will have good and marketable title to the Facilities, subject only to Permitted Encumbrances.

The JSCB makes the following representations and warranties:

**Section 6.18. Legal Entity.** The JSCB has been duly created and is validly existing under the Constitution and laws of the State.

**Section 6.19. Legal Authority.** The JSCB, has the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which it is a party, on its own behalf or on behalf of the City, the SCSD or both, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.20. Due Authorization.** The JSCB has duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which it is a party and the performance of its obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of its approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.21. Validity and Enforceability.** This Agreement and each other Project Document to which the JSCB is a party constitutes a legal, valid and binding obligation of the

JSCB, enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.22 No Conflict.** This Agreement and each other Project Document to which the JSCB is a party, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of the JSCB a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the JSCB is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the JSCB.

**Section 6.23 Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the JSCB of its respective obligations hereunder or under any other Project Document to which the JSCB is a party or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.24 No Defaults.** The JSCB is not in breach of or default under any agreement or other instrument to which it is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.25 No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the JSCB, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.26 Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.27 Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles

applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License and to this Agreement.

**Section 6.28 Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the JSCB in connection with the execution and delivery of this Agreement and each other Project Document to which it shall be a party, have been duly obtained.

The Agency makes the following representations and warranties:

**Section 6.29 Agency Authorization.** The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and each other Project Document to which it is a party and to carry out its obligations hereunder and thereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement and each other Project Document to which it is a party.

**Section 6.30 Determination of Public Purpose.** The Agency hereby determines that the financing of the Facilities through the issuance of the Bonds will further and advance the public purpose of the Agency under the IDA Act and the Syracuse Schools Act.

**ARTICLE VII**  
**SPECIAL COVENANTS**

**Section 7.1. SCSD's Right to Possession.** Except as otherwise provided herein, the SCSD shall be entitled to sole possession of the Facilities during the Agreement Term.

**Section 7.2. [Reserved].**

**Section 7.3. Compliance With Laws and Regulations.** Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the School Parties and any of the Facilities or the use or manner of use of any of the Facilities; *provided, however*, the obligation of the JSCB or the SCSD, as the case may be, to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

**Section 7.4. Covenant Against Waste.** Each of the JSCB and the SCSD covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any of the Facilities.

<sup>o</sup>b **Section 7.5. Right of Inspection.** The SCSD covenants and agrees to permit the Agency and the Trustee and the authorized agents and representatives of the Agency and the Trustee upon reasonable notice to the SCSD, to enter any of the Facilities for the purpose of inspecting the same.

**Section 7.6. Condition of Facilities.** Immediately upon the availability of any part of a Facility for use by the JSCB or the SCSD, the JSCB or the SCSD shall become thoroughly familiar with the physical condition of such part of the Facility. The Agency makes no representations whatever in connection with the condition of any Facility, and the Agency shall not be liable for any defects therein.

**Section 7.7. Assignment and Sale by the School Parties.** The School Parties will not sell, lease, transfer or otherwise dispose of or encumber any of their interest in any of the Facilities except in the case of Permitted Encumbrances or as provided in Section 7.15 hereof; *provided, however*, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and this Agreement, (y) upon delivery to the Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under this Agreement, and (z) upon delivery to the Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license, as applicable, will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes. This Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Agency, the other School Parties and the Trustee (which consent may be unreasonably withheld), but no assignment shall relieve the

School Parties, as applicable, from primary liability for any of its obligations hereunder, and in the event of any such assignment the School Parties shall continue to remain primarily liable for the payments specified herein and the SCSD, the City and/or the JSCB, as applicable, for performance and observance of the other agreements on its part herein provided.

**Section 7.8. Use of the Facilities.** Each Facility shall be used by the SCSD or any other governmental agency, department, division, commission or board thereof and used for public purposes of the SCSD or such agency, department, division, commission or board, and as a “project” under the IDA Act and as a Project as provided in the Syracuse Schools Act.

**Section 7.9. [Reserved].**

**Section 7.10. Compliance With Laws.** The parties hereto agree to comply with all laws, rules, regulations, orders and decrees applicable to the Facilities or the performance hereof.

**Section 7.11. Covenant Not to Affect the Tax-Exempt Status of the Bonds.** The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Documents and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

**Section 7.12. Covenants as to State Aid Depository Agreement.** The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller’s office to forward all State Aid to Education payments to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Depository Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Depository Agreement.

**Section 7.13. Filings.** The City shall be responsible for the filing of financing statements (including continuation statements) in connection with and in order to continue the security interest created by the Indenture.

**Section 7.14. Equal Employment Opportunities.**

(a) The SCSD shall ensure that all employees and applicants for employment with regard to each of the Facilities are afforded equal employment opportunities without discrimination.

(b) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Series 2008 Project (whether by the SCSD or any other occupant of a Facility) shall be listed by the SCSD (or, if applicable, such other occupant) with the New York State Department of Labor Community Services Division, and with the administrative entity of each service delivery area created by the Workforce Investment Act of 1998 (P.L. No. 05-220) in which each of the Facilities is located. Except as is otherwise provided by collective bargaining contracts or agreements, the SCSD agrees, and shall cause any other occupant of a Facility to agree, where practicable, to first consider persons eligible to participate in the Workforce Investment Act of 1998 (P.L. No. 105-220) programs who shall be referred by administrative entities of service delivery areas

created pursuant to such act or by the Community Services Division of the New York State Department of Labor for such new employment opportunities.

**Section 7.15. Release of Facilities.** Notwithstanding any other provision of this Agreement, so long as there exists no event of default hereunder, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Agency and the Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from this Agreement and the License. Upon receipt of such notice, the Agency and the Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to this Agreement and the License; *provided, however*, that in the event the release is of the last remaining Facility, the SCSD and the City must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions of this Section 7.15 shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments payable under Section 4.1 hereof or the Additional Payments required to be made by the SCSD and the City under this Agreement.

**Section 7.16. No-Default Certificates.**

(a) Each School Party shall deliver to the Agency, the Series 2008A Bond Insurer and the Trustee within one hundred and twenty (120) days after the close of each Fiscal Year, a certificate of an Authorized Representative thereof as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the School Party was in compliance with all the provisions which relate to it in this Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an event of default hereunder, and any action proposed to be taken by the SCSD, the City and/or the JSCB, as applicable, with respect thereto, and, until such time as the Series 2008 Project has been completed and a certificate evidencing the same pursuant to Section 3.2(b) of this Agreement has been delivered to the Agency and the Trustee, a certificate of an Authorized Representative of the JSCB that the insurance it maintains and/or is required to provide complies with the provisions of Section 5.5 of this Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect. In addition, upon twenty (20) days' prior request by the Agency, the Series 2008A Bond Insurer or the Trustee, each School Party will execute, acknowledge and deliver to the Agency, the Series 2008A Bond Insurer and the Trustee a certificate of an Authorized Representative thereof either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(b) Each School Party shall immediately notify the Agency, the Series 2008A Bond Insurer and the Trustee of the occurrence of any event of default or any event which with

notice and/or lapse of time would constitute an event of default under any Project Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the appropriate School Party and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the notice shall state this fact.

**Section 7.17. Further Assurances.** Each School Party will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the SCSD and the City, as the Agency or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Agency or the Trustee hereunder, under the Indenture or under any other Project Documents.

**Section 7.18. Recording and Filing.** The Pledge and Assignment and this Agreement as originally executed or a memorandum thereof shall be recorded by the SCSD in the appropriate office of the Clerk of the County, or in such other office as may at the time be provided by law as the proper place for the recordation thereof. The security interest of the Trustee created under the Indenture shall be perfected by the filing of financing statements by the SCSD which fully comply with the New York State Uniform Commercial Code - Secured Transactions in the office of the Secretary of State of the State, in the City of Albany, New York. The City shall file or cause to be filed all necessary continuation statements (and additional financing statements) within the time prescribed by the New York State Uniform Commercial Code - Secured Transactions in order to continue (or attach and perfect) the security interest created by the Indenture, to the end that the rights of the Agency, the Holders of the Bonds and the Trustee in this Agreement, in the Installment Purchase Payments payable under this Agreement and in the Trust Estate, shall be fully preserved as against creditors or purchasers for value from the Agency, the City or the SCSD. The Agency and the Trustee are authorized, if permitted by applicable law, to file one or more Uniform Commercial Code financing statements disclosing any security interest in this Agreement and the Installment Purchase Payments due under this Agreement.

**Section 7.19. Furnishing of Information.** Each School Party shall promptly furnish to the Agency and the Trustee such information, in such form and supported by such certifications as the Agency or the Trustee shall reasonably request, relating to such School Party and the Facilities, and the past, present and future employment by the SCSD at the Facilities.

**Section 7.20. Use of Bond Proceeds.** Each School Party shall use, or permit or suffer to be used, the proceeds of the Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Documents.

**Section 7.21. Compliance With Requirements for State Aid to Education and Other State and/or School Aid.** The School Parties will comply with all requirements necessary to ensure receipt of State Aid to Education or other state and/or school aid payable to the City or the SCSD over the term of this Agreement.

**Section 7.22. No Impairment of Pledge of State Aid to Education and Other State and/or School Aid .** Each of the SCSD and the City covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act; *provided, however*, that nothing contained in this Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Agency under the Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for hereunder.

**Section 7.23. Financial and Other Information to the Series 2008A Bond Insurer.** Each of the SCSD and the City agrees, for the benefit of the Series 2008A Bond Insurer, to deliver to the Series 2008A Bond Insurer (w) its annual unaudited financial statements as soon as available, (x) its annual audited financial statements after the end of the Fiscal Year as soon as possible but not later than three hundred sixty (360) days after the end of the Fiscal Year (together with a certification by the City and the SCSD that they are not aware of any default or Event of Default under the Indenture), (y) its annual budget within thirty (30) days after the approval thereof, and (z) such other information, data or reports as the Series 2008A Bond Insurer shall reasonably request from time to time.



## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.1. Events of Default.** An “event of default” or a “default” shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Agency or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Agency or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Agency, the Series 2008A Bond Insurer, the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same can not be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions; *provided, however*, that unless the Series 2008A Bond Insurer shall consent in writing to a longer period, it shall constitute an Event of Default under this paragraph (f) if such failure shall not be remedied within sixty (60) days after receipt by the defaulting party of the above written notice;

(g) The City or the SCSD shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the City or the SCSD seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors,

or seeking the entry of an order for relief or the appointment of a receiver; trustee, or other similar official for it for any substantial part of its property; or the City or the SCSD shall authorize any of the actions set forth above in this paragraph (g); or

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under this Agreement shall constitute a failure to make a payment under this Agreement for purposes of the Syracuse Schools Act, and in such event the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Year, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

**Section 8.2. Remedies.** Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Agency (with the prior written consent of the Trustee) or the Trustee, subject in all respects to Section 4.4 hereof, 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 School Parties hereunder. Notwithstanding the foregoing, for so long as any of the Bonds are Outstanding or any amounts remain due and payable by the City or the SCSD under this Agreement, neither the Agency nor the Trustee shall take any action which shall have the effect of terminating this Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, *provided, however*, that in addition to any other rights or remedies granted by this Section to the Agency, the Agency may enforce any of the Agency's Reserved Rights without the consent of the Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to this Section 8.2 shall relieve any School Party from its obligations hereunder, all of which shall survive any such action.

**Section 8.3. Cure.** Notwithstanding any remedy taken by the Agency or the Trustee pursuant to Section 8.2 hereof, if all arrears of Installment Purchase Payments, and all other

Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Trustee (including reasonable attorneys' fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Trustee or the Agency.

**Section 8.4. No Remedy Exclusive.** Subject to the provisions of the second sentence of Section 8.2 hereof, no remedy herein conferred upon or reserved to the Agency or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder 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 default shall impair any such right or power or shall 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 or the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**Section 8.5. Waiver and Non-Waiver.** In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 8.6. Effect on Discontinuance of Proceedings.** In case any proceeding taken by the Trustee under the Indenture or this Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then, and in every such case, the Agency, the Trustee, the Bond Insurer and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

**Section 8.7. Agreement to Pay Attorneys' Fees and Expenses.** In the event the Agency, the Bond Insurer or the Trustee should employ attorneys or incur other expenses for the collection of Installment Purchase Payments or Additional Payments payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the School Parties herein contained or contained in any other Project Document, each of the City or the SCSD agree that it will on demand therefor pay to the Agency, the Bond Insurer or the Trustee the reasonable fees and disbursements of such attorneys and such other expenses so incurred.

## ARTICLE IX

### LIMITATIONS ON TERMINATION OF AGREEMENT

**Section 9.1. Limitations on Termination of Agreement.** Notwithstanding any provisions of this Agreement to the contrary, neither the Agency, the Trustee nor any School Party shall take or fail to take any action which would cause this Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under this Agreement or prior to the discharge of the lien of the Indenture.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1 [Reserved].**

**Section 10.2. Successors and Assigns.** This Agreement shall inure to the benefit of the School Parties, the Series 2008A Bond Insurer, the Agency and the Trustee and their respective successors and assigns, and shall be binding upon the Agency and the School Parties, subject, however, to the provisions of Sections 7.7 and 7.8 hereof.

**Section 10.3. Severability.** In the event any one or more of the covenants, stipulations, promises, obligations and agreements herein on the part of the Agency or a School Party to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, or agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements herein contained and shall in no way affect the validity or enforceability of the other provisions hereof.

**Section 10.4. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, subsequent to the issuance of Series 2008A Bonds, and prior to payment or provision for the payment of the Bonds in full, and payment or provision for the payment of all amounts due and payable to the Agency pursuant hereto or to any indemnity, this Agreement may not be amended, changed, modified, altered or terminated except as provided in the Indenture.

**Section 10.5. Amounts Remaining Under the Indenture.** It is agreed by the parties hereto that any amounts remaining in any fund or account created under the Indenture, upon expiration or sooner termination of the Agreement Term, as provided herein, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges, indemnities and expenses of the Trustee, the Paying Agents, the Bond Insurer and the Agency in accordance herewith and with the Indenture, shall belong to and be paid to the City for the benefit of the SCSD.

**Section 10.6. Compliance with Indenture.** Each School Party hereby approves of and agrees to the provisions of the Indenture. Each School Party agrees to do all things within its

power in order to enable the Agency to comply with all requirements and to fulfill all covenants of the Indenture so that the Agency will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

**Section 10.7. Investment of Moneys.** The Agency hereby acknowledges that the City may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Agency nor the Trustee shall have any liability arising out of or in connection with the making or disposition of any investment authorized by the provisions of Section 5.6 of the Indenture in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment or disposition.

**Section 10.8. Disclaimer of Personal Liability.** No recourse shall be had against or liability incurred by any official or member of any School Party or any officer or employee of any School Party, or any person executing this Agreement for any covenants and provisions hereof or for any claims based thereon, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any official, member, officer or employee of a School Party.

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

**Section 10.9. Effective Date; Counterparts.** This Agreement shall become effective upon its delivery. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 10.10. Headings.** The headings preceding the text of the several Articles and Sections hereof and any table of contents appended to copies hereof shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**Section 10.11. Notices.** All notices, demands or other communications hereunder shall be sufficient if sent by registered or certified United States mail, postage prepaid, addressed, if to the Agency, City Hall, Syracuse, New York 13202, Attention: Chairman; in the case of the City, addressed to it to the attention of the Mayor, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the SCSD, addressed to it to the attention of the SCSD's Superintendent, at 725 Harrison Street, Syracuse, New York 13210, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the JSCB, addressed to it to the attention of the Chairman, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the addresses of such principal corporate trust office; and in the case of the Bond Insurer, to Financial Security Assurance Inc.,

32 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 210115-N, Telephone: (212) 826-0100, Telecopier: (212) 339-3552; in each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED,” and in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

**Section 10.12. Prior Agreements Superseded.** This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Project Documents or other agreements executed concurrently herewith or with respect to the Series 2008 Project), between the Agency, on the one hand, and the School Parties, on the other hand, relating to the Facilities.

**Section 10.13. Governing Laws.** This Agreement shall be governed and construed in accordance with the laws of the State.

**Section 10.14. Binding Effect.** This Agreement shall inure to the benefit of, and shall be binding upon, the Agency and the School Parties and their respective successors and assigns.

**Section 10.15. Investment of Funds.** Any moneys held as part of the Project Fund, the Bond Fund, the Debt Service Reserve Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the joint written request of an Authorized Representative of the City, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the applicable Tax Compliance Documents). Neither the Agency nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

**Section 10.16. Waiver of Trial by Jury.** The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the Facilities or any matters whatsoever arising out of or in any way connected with this Agreement.

The provisions of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

**Section 10.17. Non-Discrimination.**

(a) At all times during the maintenance and operation of the Facilities, the SCSD shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The SCSD shall use its best efforts to ensure that employees and applicants for employment with the SCSD are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term “treated” shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for

training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The SCSD shall, in all solicitations or advertisements for employees placed by or on behalf of the SCSD, state that all qualified applicants will be considered for employment without regard to race, color, creed, age, sex or national origin.

(c) The SCSD shall furnish to the Agency all information required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section.

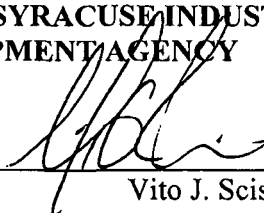
**Section 10.18. Limitation on Liability of the Agency or the State.** The liability of the Agency to the School Parties under this Agreement and to the Trustee and the Holders of the Bonds shall be enforceable only out of, and limited to, the Agency's interest under this Agreement and under the License and the security interest created by the Indenture. There shall be no other recourse against the Agency, its members, directors, officers, agents, servants and employees and persons under the Agency's control or supervision, past, present or future, or against any of the property now or hereafter owned by it or them. Any obligation the Agency may incur for the payment of money in the performance of this Agreement shall not create a debt of the State, and the State shall be not liable on any obligation so incurred. Any such obligation shall be payable solely out of any payments or other proceeds or funds derived from this Agreement. All obligations of the Agency under this Agreement shall be deemed to be the obligation of the Agency, and not of any member, director, officer, servant, employee or agent of the Agency or person under the Agency's control or supervision, past, present or future, in his individual capacity. No recourse shall be had against any such persons, or against any natural person executing the Bonds, for any claim against the Agency arising under this Agreement, including, without limitation, any claim for the payment of the principal of, redemption premium, if any, or interest on the Bonds.

**Section 10.19. Date of Agreement for Reference Purposes Only.** The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was executed and delivered on the date of original issuance and delivery of the Series 2008A Bonds.

IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_



Vito J. Sciscioli  
Vice Chairman

**ATTEST:**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By: \_\_\_\_\_

Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_

Matthew J. Driscoll  
Chairman

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By: \_\_\_\_\_

Matthew J. Driscoll  
Chairman

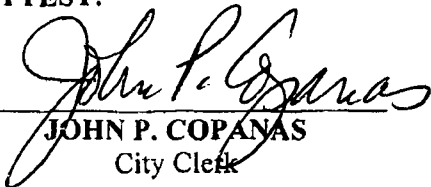


IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.


**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Vito J. Sciscioli  
Vice Chairman

ATTEST:

  
\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

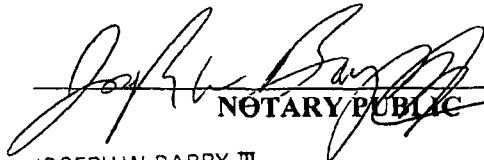
By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

STATE OF NEW YORK    )  
                                  ): SS.  
COUNTY OF ONONDAGA )

On the 24<sup>th</sup> day of March, in the year 2008, before me, the undersigned, personally appeared Matthew J. Driscoll, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
NOTARY PUBLIC

JOSEPH W. BARRY, III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526  
My Commission Expires 11/6/09

STATE OF NEW YORK    )  
                                  ): SS.  
COUNTY OF ONONDAGA )

On the 3 day of March, in the year 2008, before me, the undersigned, personally appeared Vito J. Sciscioli, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5055591  
Commission Expires on Feb. 12, 2010

## **EXHIBIT A**

### **DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central ( the former Central Technical High School) located at 258 East Adams Street;
2. Blodgett Pre-K-8 School located at 312 Oswego Street;
3. Shea Middle School located at 1607 South Geddes Street;
4. Dr. Weeks Elementary located at 710 Hawley Avenue;
5. Clary Middle School located at Amidon Drive;
6. Fowler High School located at 227 Magnolia Street; and
7. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.

## EXHIBIT B

### NOTICE OF TERMINATION OF LICENSE

The undersigned, **CITY OF SYRACUSE (“City”) and CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (“SCSD”)** (the City and the SCSD together the “*Licensor*”), as Licensor, and the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly organized and existing under the laws of the State of New York (the “*Licensee*”), having its principal office at 233 East Washington Street, Syracuse, New York, 13202 as Licensee, entered into a certain License Agreement (Series 2008 Project) dated as of March 1, 2008 (the “*License Agreement*”).

Capitalized terms used in this Notice shall have the meaning given to them in the License Agreement.

Such License Agreement covers the real property (the “*Premises*”), including any buildings, structures or improvements now or hereafter affixed or attached thereto, as more particularly described in Exhibit “A” attached hereto and made a part hereof.

The Licensee and Licensor hereby acknowledge that the term of the License Agreement and the Licensee’s interest in the Premises terminated effective as of \_\_\_\_\_.

**IN WITNESS WHEREOF**, the Licensor and the Licensee have caused this Notice to be executed in their respective names as of \_\_\_\_\_.

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, its duly authorized agent

By: \_\_\_\_\_  
Name:  
Title:

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF ONONDAGA)

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF ONONDAGA)

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

## EXHIBIT C

### BILL OF SALE TO CITY AND SCSD

**THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having its office at 233 East Washington Street, Syracuse, New York 13202 (the "**Grantor**"), for the consideration of one Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from the **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "**City**"), having its principal office at City Hall, Syracuse, New York 13202 and the **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("**SCSD**"), having its principal office at 725 Harrison Street, Syracuse, New York 13210 (the City and the SCSD are referred to collectively as the "**Grantee**"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, all those materials, machinery, equipment fixtures or furnishings which are described in Exhibit "A" attached hereto and by this reference made a part hereof, including any additions thereto, now owned or hereafter acquired by the Grantor with proceeds of the sale of the Series 2008A Bonds (as defined in the Installment Sale Agreement (Series 2008 Project) dated as of March 1, 2008 (the "**Installment Sale Agreement**") by and among the Grantor, the Syracuse Joint Schools Construction Board and the Grantee) or any payment made by the Grantee pursuant to Section 4.6 of this Installment Sale Agreement, and such additions thereto and substitutions therefor as may be made from time to time.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF ANY OF THE EQUIPMENT DESCRIBED ABOVE. THE GRANTEE ACCEPTS TITLE TO SUCH EQUIPMENT "AS IS," WITHOUT RECOURSE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. IN THE EVENT OF A DEFICIENCY OR DEFAULT OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.



IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by its duly authorized officer on the date indicated beneath the signature of such officer and dated as of the \_\_\_\_\_ day of March, 2008.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "A"**  
**TO BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2008A Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

## SCHEDULE A

### INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to the Series 2008A Bonds, respectively.

| Payment Date<br>Due May 1 | Principal              | Interest Rate | Interest*              | Total Installment<br>Purchase Payments |
|---------------------------|------------------------|---------------|------------------------|--|
| 2009                      | \$ 940,000.00          | 4.000%        | \$ 2,524,722.05        | \$3,464,722.05                         |
| 2010                      | 1,125,000.00           | 3.000%        | 2,263,412.52           | 3,388,412.52                           |
| 2011                      | 1,860,000.00           | 4.000%        | 2,229,662.52           | 4,089,662.52                           |
| 2012                      | 1,940,000.00           | 3.000%        | 2,155,262.52           | 4,095,262.52                           |
| 2013                      | 1,995,000.00           | 4.500%        | 2,097,062.52           | 4,092,062.52                           |
| 2014                      | 2,090,000.00           | 5.000%        | 2,007,287.52           | 4,097,287.52                           |
| 2015                      | 2,195,000.00           | 5.000%        | 1,902,787.52           | 4,097,787.52                           |
| 2016                      | 2,305,000.00           | 5.000%        | 1,793,037.52           | 4,098,037.52                           |
| 2017                      | 2,415,000.00           | 5.000%        | 1,677,787.52           | 4,092,787.52                           |
| 2018                      | 2,535,000.00           | 5.250%        | 1,557,037.52           | 4,092,037.52                           |
| 2019                      | 2,670,000.00           | 4.750%        | 1,423,950.02           | 4,093,950.02                           |
| 2020                      | 2,800,000.00           | 4.000%        | 1,297,125.02           | 4,097,125.02                           |
| 2021                      | 2,905,000.00           | 5.000%        | 1,185,125.02           | 4,090,125.02                           |
| 2022                      | 3,060,000.00           | 5.000%        | 1,039,875.02           | 4,099,875.02                           |
| 2023                      | 3,205,000.00           | 4.375%        | 886,875.02             | 4,091,875.02                           |
| 2024                      | 3,350,000.00           | 5.000%        | 746,656.26             | 4,096,656.26                           |
| 2025                      | 3,515,000.00           | 5.000%        | 579,156.26             | 4,094,156.26                           |
| 2026                      | 2,735,000.00           | 4.625%        | 403,406.26             | 3,138,406.26                           |
| 2027                      | 2,855,000.00           | 5.000%        | 276,912.50             | 3,131,912.50                           |
| 2028                      | 1,700,000.00           | 5.000%        | 134,162.50             | 1,834,162.50                           |
| 2029                      | 505,000.00             | 4.750%        | 49,162.50              | 554,162.50                             |
| 2030                      | <u>530,000.00</u>      | 4.750%        | <u>25,175.00</u>       | <u>555,175.00</u>                      |
| <b>TOTAL</b>              | <b>\$49,230,000.00</b> |               | <b>\$28,255,641.11</b> | <b>\$77,485,641.11</b>                 |

\* Subject to adjustment with respect to the Series 2008A Bonds paid by the Series 2008A Bond Insurer as provided in Section 2.10(e) of the Indenture.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

and

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

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**AMENDMENT NO. 5 TO  
INSTALLMENT SALE AGREEMENT  
(SERIES 2018A PROJECT)**

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Dated as of March 1, 2018

**\$67,265,000**  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project), Series 2018A**

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**AMENDMENT NO. 5 TO  
INSTALLMENT SALE AGREEMENT (SERIES 2018A PROJECT)**

**THIS AMENDMENT NO. 5 TO INSTALLMENT SALE AGREEMENT (SERIES 2018A PROJECT)**, made and entered into as of March 1, 2018 (the "*Fifth Amended Agreement*"), and being effective as of March 1, 2018 (the "*Effective Date*") by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202, **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, and **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, established pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State of New York and an intermunicipal agreement dated as of April 1, 2004, between the City and SCSD ("*JSCB*"), having its principal office at City Hall, Syracuse, New York 13202, amending a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, between the Agency, the City, the SCSD and the JSCB (the "*Original Agreement*") as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "*First Amended Agreement*"); by Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "*Second Amended Agreement*"); by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "*Third Amended Agreement*") and by Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "*Fourth Amended Agreement*" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, collectively, the "*Installment Sale Agreement*" or "*Agreement*") each by and among the Agency, the City, the SCSD and the JSCB (capitalized terms used but not defined in the recitals hereof shall have the meanings assigned to such terms in the Installment Sale Agreement):

**WITNESSETH**

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial purposes and which may include or mean an industrial

pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of the City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State determined that many of the existing school buildings of SCSD were or are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State, as amended from time to time (the "*Syracuse Schools Act*"), the City and the SCSD entered into an intermunicipal agreement dated as of April 1, 2004, pursuant to the General Municipal Law of the State and the charter of the City, and have established the JSCB to act as the agency of the City, the SCSD or both to enter into contracts with respect to a project as defined in and undertaken pursuant to the Syracuse Schools Act (as so defined, a "*Project*"); and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations with the Syracuse Joint Schools Construction Board (the "*JSCB*"), acting on behalf of the SCSD and the City, for projects to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD's public schools (the "*Program*"), to induce the Agency to finance the design, reconstruction, rehabilitation and/or construction of certain existing public schools and additions thereto; and the acquisition and installation of certain equipment, fixtures and furnishing necessary and attendant thereto (collectively, the "*Facilities*"), at the sites listed, in part, on Exhibit A attached hereto and made a part hereof; and

**WHEREAS**, pursuant to the Syracuse Schools Act and other applicable legislation, new, renovated or reconstructed educational facilities of the City or the SCSD have been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, the JSCB, exercising its properly authorized powers conferred upon it for such purposes by the Charter of the City selected Turner Construction Company, a New York Corporation, duly authorized to conduct business in New York State as a foreign corporation, as its Program Manager to implement one or more Projects as part of the comprehensive redevelopment of the City's public schools and each of the Program Manager and the JSCB (acting for itself and as agent for the SCSD and the City) have entered into the Program Manager Agreement dated as of August 28, 2015, relative to the completion of the

Series 2018A Project; and

**WHEREAS**, the Syracuse Schools Act authorized the first phase ("**Phase I**") of the Program for public school buildings of the SCSD, at a cost not to exceed \$225 million. Phase I of the Program consisted of design and/or reconstruction and rehabilitation of various existing school buildings and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD. Phase I was financed by the Issuer through several issues of its bonds in 2008, 2010, 2011 and 2017; and

**WHEREAS**, legislation authorizing phase two ("**Phase II**") of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013 and includes several schools including, but not limited to the Facilities. The JSCB anticipates additional tranches of Phase II projects which will cover all of the Phase II schools; and

**WHEREAS**, the JSCB requested the Agency issue its revenue bonds from time to time in one or more Series through multiple indentures of trust to effect the financing of one or more Projects under the Program; and

**WHEREAS**, on March 26, 2008, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$49,230,000 (the "**Series 2008A Bonds**") pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, and an Indenture of Trust (Series 2008 Project), dated as of March 1, 2008 (as the same may be amended or supplemented, the "**Series 2008 Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee under the Series 2008 Indenture (the "**Series 2008 Trustee**") in order to finance a portion of the costs of the Facilities in furtherance of the Program (as defined herein) and for incidental and related costs associated with the issuance of the Series 2008A Bonds; and

**WHEREAS**, on December 23, 2010, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project), Series 2010 in the aggregate principal amount of \$31,470,000 (the "**Series 2010 Bonds**") pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on October 26, 2010, and a certain Indenture of Trust (Series 2010 Project), dated as of December 1, 2010 (the "**Series 2010 Indenture**") by and between the Agency and Manufacturers and Traders Trust Company, as trustee with respect to the Series 2010 Bonds (the "**Series 2010 Trustee**") in order to finance a portion of the costs of certain Facilities in furtherance of the Program and for incidental and related costs and to provide the funds to pay the costs and expenses of the issuance of the Series 2010 Bonds, the Agency issued; and

**WHEREAS**, on July 12, 2011, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project) Series 2011 in the aggregate principal amount not to exceed \$60,000,000 (the "**Series 2011 Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on June 21, 2011, and a certain First Supplemental Indenture (Series 2011 Project), dated as of July 1, 2011 (the "**First Supplemental Indenture**") in order to finance a portion of the costs of the Facilities in

furtherance of the Program and for incidental and related costs and to provide the funds to pay the costs and expenses of the issuance of the Series 2010 Bonds; and

**WHEREAS**, on April 20, 2017, the Agency issued its School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2017 in the aggregate principal amount of \$29,260,000 (the "**Series 2017 Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on January 24, 2017 and a certain Indenture of Trust (Series 2017 Project), dated as of April 1, 2017 (the "**Series 2017 Indenture**") by and between the Agency and Manufacturers and Traders Trust Company, as trustee with respect to the Series 2017 Bonds (the "**Series 2017 Trustee**") in order to refinance the costs of the Series 2008 Project and to provide the funds to pay the costs and expenses of the issuance of the Series 2017 Bonds and the refunding of the Series 2008A Bonds; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Series 2018A Project will assist the SCSD in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, in order to finance the costs of the Series 2018A Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2018A Bonds (as defined herein), the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency adopted on January 16, 2018, and an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (as the same may be amended or supplemented, the "**Series 2018A Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**2018 Trustee**"); and

**WHEREAS**, the City currently has \$29,800,000 outstanding principal amount of bond anticipation notes which were issued in part to finance a portion of the Series 2018A Project (the "**BAN**"). \$14,800,000 of the BAN will mature on March 15, 2018 (the "**Matured BAN**"). On the Closing Date, \$7,417,430 of the proceeds of the Series 2018A Bonds will be used to redeem a portion of the Matured BAN; and

**WHEREAS**, the City and the SCSD leased the Facilities to the Agency pursuant to a License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Agency, as licensee (the "**License Agreement**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017, (the "**Third Amendatory License Agreement**") as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**" and together with the License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Third Amendatory License Agreement, collectively, the "**License**"); and



**WHEREAS**, the Agency will sell its leasehold interest in the Facilities pursuant to this Fifth Amended Agreement to the SCSD; and

**WHEREAS**, it is contemplated that the Agency or other public entity will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, the SCSD, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the "**Depository Bank**"), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 ("**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**" and together with the Depository Agreement, collectively, the "**State Aid Depository Agreement**"), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to the debt service reserve fund established under the Indenture, if any, and the equivalent fund, if any, established under each other Series Indenture, and the balance to the General Fund (as defined in the State Aid Depository Agreement) (excluding the Series 2010 Indenture and this Indenture under which no Debt Service Reserve Fund has been established), and the balance to the General Fund; and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the SCSD shall fail to make a payment due under the Agreement or any other Series Facilities Agreement (as defined in the State Aid Trust Agreement), the Agency (or the related Series Trustee acting on its behalf) shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State in connection with or which are conditions precedent to the due authorization, execution and delivery of this Fifth Amended Agreement have happened, occurred and been taken by the Agency, the SCSD and the JSCB; and

**WHEREAS**, in order to finance the costs of the Series 2018A Project, the SCSD has requested that the Agency enter into this Fifth Amended Agreement;

**NOW, THEREFORE**, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or of the City, and neither the State of New York nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment

purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under the Agreement):

**Section 1.** Except as hereby expressly amended herein, the Original Agreement, as amended by the First Amended Agreement and the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect, and this Fifth Amended Agreement, and all of its terms, provisions and conditions shall be deemed to be a part of the Original Agreement, as amended by the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement.

**Section 2.** All terms not otherwise defined in this Fifth Amended Agreement shall have the same meanings as those terms are given in the Original Agreement, as amended by the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement.

**Section 3.** The following terms defined in Section 1.1 of the Original Agreement, are hereby added, amended or supplemented to read as follows:

Agreement or Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as previously amended by Amendment No. 1 to Installment Sale Agreement, dated as of July 1, 2009; Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010; Amendment No. 3 to the Installment Sale Agreement (Series 2011 Project), dated as of July 1, 2011, Amendment No. 4 to the Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017 and Amendment No. 5 to the Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, each between the Agency, the City, the SCSD and the JSCB, and which shall include any and all further amendments and supplements hereto hereafter made in conformity herewith and with the Applicable Indenture.

Amendment No. 1 to the Installment Sale Agreement or the First Amended Agreement shall mean Amendment No. 1 to the Agreement dated as of July 1, 2009 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 2 to the Installment Sale Agreement or the Second Amended Agreement shall mean Amendment No. 2 to the Agreement dated as of December 1, 2010 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 3 to the Installment Sale Agreement or the Third Amended Agreement shall mean Amendment No. 3 to the Agreement dated as of July 1, 2011 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 4 to the Installment Sale Agreement or the Fourth Amended Agreement shall mean this Amendment No. 4 to the Agreement dated as of April 1, 2017 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 5 to the Installment Sale Agreement or the Fifth Amended Agreement shall mean this Amendment No. 5 to the Agreement dated as of March 1, 2018 among the Agency, the City, the SCSD and the JSCB.

Applicable Indenture shall mean, either the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any supplemental or series indenture of trust entered into by the Agency and a bond trustee with respect to the financing of costs authorized by the Syracuse Schools Act in connection with the Program.

Applicable Trustee shall mean, the Series 2010 Trustee, the Series 2017 Trustee, the Series 2018 Trustee and any future trustee named under a supplemental or Series Indenture, their respective successors in such capacity and their assigns appointed in the manner provided in the Applicable Indenture.

Bill of Sale to the Agency shall mean collectively the Bill of Sale (Series 2008 Project), dated as of March 1, 2008 as amended by the Amendatory Bill of Sale (Series 2010 Project), dated as of December 1, 2010, as further amended by the Second Amendatory Bill of Sale (Series 2011 Project), dated as of July 1, 2011, as further amended by the Third Amendatory Bill of Sale (Series 2018A Project), dated as of even date herewith and delivered on the Closing Date, each from the SCSD and the City to the Agency conveying an interest in all items of Equipment.

Bonds shall mean the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds and any Series of Additional Bonds issued under the any Applicable Indenture.

Environmental Compliance Agreement or Environmental Compliance and Indemnification Agreement shall mean collectively the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011 as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, each from the SCSD and the City for the benefit of the Agency, as amended or supplemented.

Facility or Facilities shall mean, as applicable, each existing school building owned by the City and/or the SCSD and described in the Description of Facilities in Exhibit A attached hereto or as attached to the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement or the Fourth Amended Agreement, as applicable, and made a part hereof or thereof, including the land upon which such school is located and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 3.1 hereof and the Construction Contracts), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto, together with all items of Equipment located and used therein from time to time; *provided, however*, that: (y) to the extent that only items of Equipment or fixtures located within an existing school building owned by the City and/or the

SCSD shall be financed in whole or in part from the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011A Bonds, the 2011B Bonds, the Series 2017 Bonds or the Series 2018A Bonds, then “Facility” shall mean only such items so financed and all replacements, repairs or additions thereto; and (z) to the extent that an item of property constituting a fixture located at an existing school building is financed in whole or in part from the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds, and such existing school building shall not otherwise itself be included within the Facilities subject to the License and this Fifth Amended Agreement, then such fixture shall be deemed property severable from the remainder of the existing school building and thereby subject to the License and to this Fifth Amended Agreement.

Fourth Amendatory License Agreement shall mean the Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Installment Purchase Payments shall mean those installment purchase payments payable by the SCSD pursuant to Section 4.1(a) hereof, which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Facilities Agreement Payment”.

Installment Purchase Payment Date shall mean: (i) in the case of the Series 2010 Bonds, April 1 of each year, commencing April 1, 2011, all as set forth in Schedule A to the Second Amended Agreement, subject however, to the second paragraph of Section 4.1(a) hereof; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”; (ii) in the case of the Series 2011 Bonds, April 1 of each year, commencing April 1, 2012, all as set forth in Schedule A to the Third Amended Agreement, subject however, to the second paragraph of Section 4.1(a) hereof; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”; (iii) in the case of the Series 2017 Bonds, April 1, of each year, commencing April 1, 2018, all as set forth in Schedule A to the Fourth Amended Agreement; and (iv) in the case of the Series 2018A Bonds, April 1, of each year, commencing April 1, 2018, all as set forth in Schedule A to the Fifth Amended Agreement; subject however, to the second paragraph of Section 4.1(a) of the Installment Sale Agreement; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”.

License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by the Amendatory License Agreement dated as of December 1, 2010, the Second Amendatory License Agreement dated as of July 1, 2011, the Third Amendatory License Agreement dated as of April 1, 2017, the Fourth Amendatory License Agreement dated as of March 1, 2018, each between the City and the SCSD, as licensor, and the Agency, as licensee, with respect to the Facilities.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed on record

which are being contested in good faith and have not proceeded to judgment;

(ii) the liens of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby any of the affected Facility or the interest of the City or the SCSD therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to any Facility which do not in the aggregate materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(v) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vi) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of a Facility which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vii) any obligations or duties affecting any portion of a Facility of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(viii) present or future valid zoning laws or ordinances;

(ix) this Fifth Amended Agreement, the Indenture and the License;

(x) the liens of any Series License, Series Facilities Agreement or Series Indenture; and

(xi) any other lien which, in the opinion of counsel to the City delivered and addressed to the Agency and the Trustee, will not have a material adverse effect upon the obligations of the School Parties under this Fifth Amended Agreement.

Program Manager means with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2017 Project, the Gilbane Building Company, a Rhode Island corporation; and with respect to the Series 2018A Project, Turner Construction Company, a New York corporation.

Program Manager Agreement shall mean: (i) the Program Manager Agreement, dated December 5, 2007, as amended from time to time, between the JSCB, on its own behalf and as agent for the City and SCSD, and Gilbane Building Company as the Program Manager,

pursuant to which the Program Manager has undertaken to manage the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2017 Project, as the same may be amended and supplemented from time to time in accordance therewith; and (ii) the Program Manager Agreement, dated August 28, 2015, between the JSCB, on its own behalf and as agent for the City and SCSD, and Turner Construction Company as the Program Manager, pursuant to which the Program Manager has undertaken to manage the Series 2018A Project, as the same may be amended and supplemented from time to time in accordance therewith.

Second Amendatory License Agreement shall mean the Second Amendatory License Agreement (Series 2011 Project), dated as of July 1, 2011 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Second Supplemental Environmental Compliance and Indemnification Agreement shall mean the Second Supplemental Environmental Compliance and Indemnification Agreement, dated July 1, 2011 from the SCSD and the City to and for the benefit of the Agency, as amended or supplemented.

Series 2018A Indenture shall mean the Indenture (Series 2018A Project), dated as of March 1, 2018, between the Agency and the Series 2018 Trustee, as may be further amended or supplemented from time to time in accordance with Article XI thereof.

Series 2018A Project shall mean (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping.

Third Amendatory Bill of Sale shall mean a the Third Amendatory Bill of Sale, dated as of March 1, 2018, from the SCSD and the City to the Agency conveying an interest in all items of Equipment with respect to the Series 2018A Project.

Third Amendatory License Agreement shall mean the Third Amendatory License Agreement (Series 2017 Project), dated as of April 1, 2017 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Third Supplemental Environmental Compliance and Indemnification Agreement shall mean the Third Supplemental Environmental Compliance and Indemnification Agreement, dated March 1, 2018 from the SCSD and the City to and for the benefit of the Agency, as amended or supplemented.

**Section 4.** The following sections of Article II of the Original Agreement are amended to read as follows:

Section 2.2 of the Original Agreement is hereby amended to read as follows:

Agreement Term. The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds shall cease to be Outstanding and the lien of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Agency hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Agency makes no representations whatsoever in connection with the condition of any of the Facilities, and the Agency shall not be liable for any defects therein.

Section 2.3(a) of the Original Agreement is hereby amended in its entirety to read as follows:

The Agency's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Agency to the SCSD and the City upon the later date of completion or abandonment of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, as evidenced by the certificate of the JSCB delivered pursuant to Section 3.1(j) hereof.

**Section 5.** The following sections of Article III of the Original Agreement are amended to read as follows:

The title of Section 3.1 is amended to read " The Series 2008 Project; Series 2010 Project; Series 2011 Project; Series 2017 Project, the Series 2018A Project".

Section 3.1(b) of the Original Agreement is amended in its entirety to read as follows:

As promptly as practicable after receipt of the proceeds of sale of the: (w) Series 2008A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Series 2008 Indenture; (x) Series 2010 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2010 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2010 Bonds deposited in the Project Fund established under the Series 2010 Indenture; (y) Series 2011 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing

of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2011 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2011 Bonds deposited in the Project Fund established under the First Supplemental Indenture; (z) the Series 2017 Bonds, and out of said proceeds of sale, the JSCB will proceed to refinance the costs of the Series 2008 Project and effectuate the redemption in whole or part of the Agency's outstanding Series 2008A Bonds in the principal amount of \$34,780,000; and to pay permitted issuance costs, if any, costs of credit enhancement, if any, and fund a debt service reserve fund, if any, all with respect to the Series 2017 Bonds and pay the redemption costs of the Series 2008A Bonds; and (aa) Series 2018A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2018A Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2018A Bonds deposited in the Project Fund established under the Series 2018A Indenture. The JSCB reasonably believes that the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, pursuant to the applicable Plans and Specifications, will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control (as applicable) only excepted. The City and the SCSD agree that no delay in the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, with respect to each project, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the applicable Closing Date entered into one or more Construction Contracts for completion of the Central Tech Project, the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Agency shall expressly provide that the Agency shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Agency shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds. In the event that moneys in the applicable Accounts within the Project Fund are not sufficient to pay the costs necessary to complete the work with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or pay applicable Costs or Project Costs with respect to the Series 2018A Project in full, none of the School Parties shall be entitled to any reimbursement therefor from the Agency, the Series Trustee or the Holders of any of the Series 2008A Bonds, Series 2010 Bonds, Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds



(except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Base Installment Purchase Payments, Installment Purchase Payments or Additional Payments to be made under this Fifth Amended Agreement.

Sections 3.1(d) and 3.1(h) are amended to delete the word “and” as it appears between the phrase “Series 2010 Project” and “Series 2011 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2011 Project” as it appears in each paragraph.

Section 3.1(e) of the Original Agreement is amended in its entirety to read as follows:

(e) As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay: (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Agency pursuant to the License, the Bill of Sale to Agency, the delivery of any instruments and documents and their filing and recording, if required; (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer; and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds; all expenses or claims incurred in connection with the Series 2010 Project and not funded from the proceeds of sale of the Series 2010 Bonds; all expenses or claims incurred in connection with the Series 2011 Project and not funded from the proceeds of sale of the Series 2011 Bonds; all expenses or claims incurred in connection with the Series 2017 Project and not funded from the proceeds of the sale of the Series 2017 Bonds; and all expenses or claims incurred in connection with the Series 2018A Project and not funded from the proceeds of sale of the Series 2018A Bonds (or any other Series of Additional Bonds).

Section 3.1(f) of the Original Agreement is amended by deleting the word “and” as it appears between the phrase “Series 2011 Project” and “Series 2017 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2017 Project” as it appears in the paragraph.

Section 3.1(g) of the Original Agreement is amended by inserting the phrase “the Series 2018A Project” after the phrase “Series 2017 Project” as it appears in the paragraph.

Section 3.1(j) of the Original Agreement is amended in its entirety to read as follows:

“(j) Upon the completion or abandonment by the JSCB of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or any portions thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Agency and the Applicable Trustee to such effect.”

The title of Section 3.2 is amended to delete the phrase “and the Refunded Proceeds Fund” from the title such that it reads: “The Project Fund”.

Section 3.2(a) of the Original Agreement is amended in its entirety to read as follows:

Project Fund. (a) The Agency has in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture respectively, authorized and directed the Applicable Trustee to make payments from the Project Fund, and the applicable Accounts within the Project Fund, from time to time to pay Project Costs, including but not limited to, the cost of the acquisition, construction, renovation, reconstruction, improvement, equipping and furnishing of a Facility upon receipt of a requisition signed by an Authorized Representative of the JSCB, in the form set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable.

Section 3.2(b) of the Original Agreement is amended in its entirety to read as follows:

(b) The date of completion of the work for a Facility shall be evidenced to the Agency and the Applicable Trustee by a certificate of an Authorized Representative of the SCSD stating, except for any costs not then due and payable or the liability for payment of which is being contested or disputed in good faith by the JSCB (i) the date of completion of such work; (ii) that the related Facility has been completed substantially in accordance with the Plans and Specifications and all labor, services, machinery, equipment, furnishings, materials and supplies used therefor have been paid for; (iii) that all other facilities necessary in connection with such Facility have been completed and all costs and expenses incurred in connection therewith have been paid; (iv) that all property of such Facility is subject to the Agreement; (v) that, in accordance with all applicable laws, regulations, ordinances and guidelines, such Facility has been made ready for occupancy, use and operation for its intended purposes; (vi) the amount, if any, required in his opinion for the payment of any remaining part of the costs with respect to such Facility; and (vii) the amount of the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, including the investment earnings thereon, expended with respect to such Facility. Such certificate shall be accompanied by a certificate executed by an Authorized Representative of the City certifying as to the determination of the Rebate Amount as provided in the Tax Compliance Documents and the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Agency, the Applicable Trustee or the School Parties against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.2 of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, and (z) that no Person other than the Agency and the Applicable Trustee may benefit therefrom. Such certificate of the Authorized Representative of the JSCB shall be accompanied by (i) a temporary or permanent certificate of occupancy and any and all permissions, approvals, licenses or consents required of governmental authorities for the occupancy, operation and use of the completed Facility for the purposes contemplated by this Agreement and the Syracuse Schools Act; (ii) a certificate of an Authorized

Representative of the JSCB that all costs of the completed Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialsmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with such Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute in excess of \$100,000, evidence to the Applicable Trustee that such costs have been appropriately bonded or that the JSCB shall have posted a surety or security at least equal to the amount of such costs); and (iii) such additional documentation, if any, as required by the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable. Upon the determination by the JSCB that the amount on deposit in an Account of the Project Fund shall be sufficient to pay all remaining Project Costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, as the case may be, for the purpose for which such Account was funded, the JSCB shall deliver to the Applicable Trustee a Project Sufficiency Certificate (as defined in the Applicable Indenture) of an Authorized Representative of the JSCB.

Section 3.2(c) is deleted in its entirety.

Section 3.3 of the Original Agreement is amended in its entirety to read as follows:

Cooperation in Furnishing Documents.

(a) The JSCB agrees to furnish to the Applicable Trustee any documents that are required to effect payments out of the Project Fund in accordance with Section 3.2 hereof. Such obligation is subject to any provisions of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively; and

Section 3.5 of the Original Agreement is amended in its entirety to read as follows:

Issuance of Bonds. Contemporaneously with the execution and delivery of this Fifth Amended Agreement, the Agency will sell and deliver the Series 2018A Bonds in the aggregate principal amount of \$67,265,000, under and pursuant to a resolution adopted by the Agency on January 16, 2018, authorizing the issuance of the Series 2018A Bonds under and pursuant to the Series 2018A Indenture dated as of even date herewith, for the purpose of financing Project Costs of the Series 2018A Project. After the Closing Date, it is contemplated that Additional Bonds may be issued to finance other Projects and other phases of the Program, if any, and for the other purposes set forth in Section 2.7 of the Series 2010 Indenture, as amended and supplemented by the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture. It is contemplated that, thereafter, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities

pursuant to Phases II through IV of the Program. That portion of the proceeds of sale of the Series 2018A Bonds deposited in the Series 2018 Bond Account of the Project Fund shall be applied to the payment of Project Costs with respect to the Series 2018A Project in accordance with the provisions of the Series 2018A Indenture.

Section 3.7 of the Original Agreement is amended in its entirety to read as follows:

Expenses Chargeable to the JSCB. As between the Agency one hand and the School Parties on the other hand, the School Parties shall pay all expenses or other costs incurred in connection with the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project including, but not limited to:

- (i) all charges incurred in connection with the preparation, delivery, filing, recording (if required) or effectuation of any instruments of conveyance or transfer required by this Fifth Amended Agreement, the License, the Bill of Sale, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document;
- (ii) any closing costs or costs relating to issuance of a Series of Bonds other than those costs referenced in paragraph (i) above;
- (iii) all lawful claims which might or could if unpaid become a lien or charge on any of the Facilities;
- (iv) all pre-closing and post-closing taxes, assessments or other governmental or utility charges or impositions relating to any of the Facilities;
- (v) the Agency's administrative fee;
- (vi) any legal fees or expenses incurred by the Agency or the Applicable Trustee in connection with the foregoing items of costs related to the issuance of a Series of Bonds;
- (vii) the State bond issuance charge, if any; and
- (viii) any other costs incurred by the Agency in carrying out the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project.

Section 3.8 of the Original Agreement is amended in its entirety to read as follows:

Additional Facilities. The Agency and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or a related Series Indenture, a Series of Additional Bonds or additional Series of Project Bonds may be

issued from time to time pursuant to separate Series Indentures to finance the costs of the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of Facilities and/or Additional Facilities.

Section 3.9 of the Original Agreement is amended in its entirety to read as follows:

Use of Series 2008A Bond Proceeds, Series 2010 Bond Proceeds, Series 2011 Bond Proceeds, Series 2017 Bond Proceeds and the Series 2018A Bond Proceeds. The SCSD shall use, or permit or suffer to be used, the proceeds of the Series 2008A Bonds, the proceeds of the Series 2010 Bonds, the proceeds of the Series 2011 Bonds, the proceeds of the Series 2017 Bonds, the proceeds of the Series 2018A Bonds only for the respective purposes and costs permitted therefor under this Fifth Amended Agreement, the Series 2008 Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture, respectively, and the Tax Compliance Certificate, each as may be amended and or supplemented from time to time.

Section 3.10 of the Original Agreement is amended in its entirety to read as follows:

No Warranty of Condition or Suitability. THE AGENCY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE SCHOOL PARTIES OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF (w) THE SERIES 2008A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2008 PROJECT AND COMPLETE THE SERIES 2008 PROJECT; (x) THE SERIES 2010 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2010 PROJECT AND COMPLETE THE SERIES 2010 PROJECT; OR (y) THE SERIES 2011 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2011 PROJECT AND COMPLETE THE SERIES 2011 PROJECT; (z) THE SERIES 2017 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2017 PROJECT AND COMPLETE THE SERIES 2017 PROJECT; OR (AA) THE SERIES 2018A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2018A PROJECT AND COMPLETE THE SERIES 2018A PROJECT. EACH SCHOOL PARTY IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE A SCHOOL PARTY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF ANY OF THE FACILITIES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF

USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED."

**Section 6.** Schedule A attached to the Original Agreement is hereby deleted in its entirety and replaced with the Schedule A attached to this Fifth Amended Agreement reflecting Installment Purchase Payments for the Bonds.

**Section 7.** The following sections of Article IV of the Original Agreement are amended to read as follows:

Section 4.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

Payment of Installment Purchase Payments.

(a) Subject to Section 4.4 hereof, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments, with respect to the Series 2008A Bonds, as originally reflected on Schedule A to the Original Agreement, and the Installment Purchase Payments, with respect to the Series 2010 Bonds as originally reflected on Schedule A of the Second Amended Agreement; Installment Purchase Payments with respect to the Series 2011 Bonds in the amounts as set forth in Schedule A attached to the Third Amended Agreement; Installment Purchase Payments with respect to the Series 2017 Bonds in the amounts set forth on Schedule A attached to the Fourth Amended Agreement; or Installment Purchase Payments with respect to the Series 2018A Bonds in the amounts set forth on Schedule A attached hereto. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, as applicable; *provided, however*, that there shall be credited against any Base Installment Purchase Payments and Installment Purchase Payments any amounts available for such purposes and on deposit in the applicable Bond Fund, including any amounts deposited to a Bond Fund pursuant to Section 5.4 of each Series Indenture and any amounts deposited to a Bond Fund pursuant to Section 4.1(a) of each Series Indenture.

Notwithstanding the foregoing and schedule of Base Installment Purchase Payments and Installment Purchase Payments, in the event the SCSD shall have failed to appropriate by November 1, commencing November 1, 2018, that amount of State Aid to Education required to make (less any amount on deposit in a Bond Fund on such November 1 and available on such date), and for the stated purpose of making, the Base Installment Purchase Payment and/or the Installment Purchase Payment due on the immediately succeeding April 1 (as set forth in Schedule A hereto), then: (y) the SCSD shall promptly deliver written notice of such failure to the Agency and each Applicable Trustee, and (z) that Base Installment Purchase Payment and/or Installment Purchase Payment next due on such immediately succeeding April 1 (less any amount on deposit in the applicable Bond Fund on such November 1 and available on such date) shall instead be due on the November 15 immediately following such November 1 as if that November 15 were the originally scheduled Base Installment Purchase Payment Date and/or Installment Purchase Payment Date. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the SCSD, as provided in the State Aid

Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, respectively; provided, however, that there shall be credited against any Base Installment Purchase Payment and Installment Purchase Payment, as applicable, any amounts available for such purpose and on deposit in each Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of each Applicable Indenture, and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of each Applicable Indenture.

(b) The SCSD shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, with respect to the Series 2008A Bonds, and the applicable Installment Purchase Payments, with respect to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, together with interest accrued and to accrue and premium, if any, to be paid on the applicable Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Applicable Indenture as may be specified in writing by an Authorized Representative of the SCSD at the time of making such prepayment. Upon any such prepayment, the Applicable Trustee shall, if necessary, and as applicable, recalculate the schedule of Base Installment Purchase Payments or Installment Purchase Payments, as applicable as set forth in the applicable Schedule A with respect to the applicable Series of Bonds, in accordance with the Applicable Indenture and deliver a revised schedule to the SCSD and the Agency, and such revised schedule shall be deemed to replace the then-existing applicable **Schedule A**.

Section 4.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

**Direction as to Payment of Base Installment Purchase Payments and Installment Purchase Payments.** Installment Purchase Payments shall be paid to the Series 2010 Trustee for credit to the Applicable Bond Fund under the Series 2010 Indenture and the First Supplemental Indenture; to the Series 2017 Trustee for credit to the Applicable Bond Fund under the Series 2017 Indenture and to the Series 2018 Trustee for credit to the Applicable Bond Fund under the Series 2018A Indenture.

Section 4.3(a) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

**Indemnification of the Agency and Applicable Trustee and Limitation on Liability.** (a) The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Agency, the Applicable Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the "***Indemnified Parties***") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way

connected with (i) the financing of the costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) this Fifth Amended Agreement, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of this Fifth Amended Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of the any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party, or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

Section 4.8 of the Original Agreement is hereby amended to add the phrase “and the Installment Purchase Payments” after the term “Base Installment Purchase Payments”.

Section 4.8 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

Compensation and Expenses of Applicable Trustee, Depository Bank, Bond Registrar, Paying Agents and Agency. The City and the SCSD shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following annual fees, charges and expenses and other amounts: (1) the initial and annual fees of the Applicable Trustee for the ordinary services of the Applicable Trustee rendered and its ordinary expenses incurred under the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture, respectively, including the fees and expenses of any accountant or other agent engaged by the Applicable Trustee for performing such services, and the fees and expenses as Bond Registrar, and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, (2) the reasonable fees and charges of the Applicable Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, including the reasonable fees of its counsel, (3) the reasonable fees, charges, and expenses of the Applicable Trustee for extraordinary services rendered by it under the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, including reasonable counsel fees, (4) the initial and annual fees of the Depository Bank for the ordinary services of the Depository Bank rendered and its



ordinary expenses incurred under the State Aid Depository Agreement, and (5) the fees, costs and expenses of the Bond Registrar and the fees, costs and expenses (including legal, accounting and other administrative expenses) of the Agency. The City and the SCSD shall further pay the fees, costs and expenses of the Agency together with any reasonable fees and disbursements incurred by the Agency's bond counsel and general counsel in connection with (i) the Projects or this Fifth Amended Agreement, including fees and expenses incurred by the Agency after the occurrence and during the continuance of an Event of Default as provided in Section 8.1 of this Fifth Amended Agreement, (ii) the negotiation and execution of this Fifth Amended Agreement, the Series 2010 Indenture and the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable and other Project Documents; and (iii) any waiver, modification or amendment to this Fifth Amended Agreement, the Applicable Indenture or any other Project Document that may be requested by a School Party or any party thereto, and consented to by the City and the SCSD, or any action by the Agency requested by a School Party thereunder. The City and the SCSD shall further pay to the Agency on the date of issuance of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds and on the date of issuance of any Additional Bonds, an amount equal to one-half of one percent (1/2 of 1%) of the principal amount of such Series of Project Bonds.

**Section 8.** The following sections of Article V of the Original Agreement are amended to read as follows:

Section 5.4 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"Section 5.4. Additional Rights of SCSD. The Agency agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of SCSD and, if not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall not become subject to this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof. "

Section 5.5(a) of the Original Agreement is amended by deleting the word "or" from between "Series 2011 Project" and "Series 2017 Project"; inserting a comma in its place and adding the term "or the Series 2018A Project" after the "Series 2017 Project" in that paragraph.

Section 5.5(a)(iii) is amended to add after the term "Series 2011 Project" the following, "the Series 2018A Project".

**Section 9.** Each of the City and the SCSD hereby represents and warrants as follows:

(a) The SCSD is a school district of the State, duly created and validly existing under the Constitution and laws of the State. The City is a municipal corporation of the State duly created and validly existing under the Constitution and laws of the State.

(b) The School Parties have the good right and lawful authority and power to execute and deliver this Fifth Amended Agreement and each other Project Document to which any of them is a party, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

(c) The City and the SCSD have duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which any School Party is a party and the performance of their respective obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of their respective approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

(d) This Fifth Amended Agreement and each other Project Document to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party constitutes a legal, valid and binding obligation of the City or the SCSD, as the case may be, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Fifth Amended Agreement and each other Project Document to which the City and/or the SCSD is a party or to which the JSCB is a party on behalf of the City, the SCSD or both, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of such Person a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the City or the SCSD, as the case may be.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the SCSD and/or the City of its respective obligations hereunder or under any other Project Document to which the SCSD and/or the City or the JSCB, on behalf of the City, the SCSD or both, is a party or to which it is bound or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

(g) Neither the City nor the SCSD is in breach of or default under any agreement or other instrument to which it or the JSCB, on behalf of the City, the SCSD or both, is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

(h) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the City or the SCSD, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or to which it is bound or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

(i) Both the City and the SCSD by appropriate legislative or administrative action have determined that the Series 2018A Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City and the SCSD have further determined that the Series 2018A Project shall continue to be essential to such administration and to meet such needs throughout the term of this Fifth Amended Agreement.

(j) This Fifth Amended Agreement and the obligations of the SCSD hereunder do not and will not constitute indebtedness or moral obligation of the SCSD or the City under Article VIII of the State Constitution or Section 20.00 of the Local Finance Law of the State nor shall they constitute a contractual obligation in excess of the amounts appropriated therefor.

(k) The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2018A Project have been complied with.

(l) The SCSD covenants and agrees to operate each of the Facilities or cause each of the Facilities to be operated in accordance with: (i) this Fifth Amended Agreement; (ii) as a qualified Project in accordance with and as defined under the Syracuse Schools Act; and (iii) as a "project" in accordance with the IDA Act.

(m) Any costs of the Series 2018A Project paid from the proceeds of the sale of the Series 2018A Bonds shall be treated or capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2018A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License, the Bill of Sale to the Agency and to this Fifth Amended Agreement.

(n) All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the City and/or the SCSD

in connection with (y) the execution and delivery of this Fifth Amended Agreement and each other Project Document to which such Person shall be a party or to which it is bound, and (z) the granting of the interest in the Facilities by the SCSD and the City to the Agency pursuant to the License and the Bill of Sale to Agency, have been duly obtained.

(o) Pursuant to the License and Bill of Sale to Agency, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and valid ownership interest in the Equipment, all of which has been sold by the Agency to the SCSD pursuant to this Fifth Amended Agreement.

(p) The SCSD and the City have duly established the JSCB pursuant to the Syracuse Schools Act and the Intermunicipal Agreement. The Intermunicipal Agreement is in full force and effect and has not been amended, modified or rescinded. This Fifth Amended Agreement, the other Project Documents to which the JSCB, on behalf of the City, the SCSD or both, is a party and the acts, agreements and contracts of the JSCB, on behalf of the City, the SCSD or both, have been ratified and/or approved and duly authorized by the City and the SCSD, as the case may be, and constitute valid and binding obligations of the City and the SCSD, as the case may be.

(q) The City and the SCSD have and will have good and marketable title to the Facilities, subject only to Permitted Encumbrances.

**The JSCB makes the following representations and warranties:**

(a) The JSCB has been duly created and is validly existing under the Constitution and laws of the State.

(b) The JSCB, has the good right and lawful authority and power to execute and deliver this Fifth Amended Agreement and each other Project Document to which it is a party, on its own behalf or on behalf of the City, the SCSD or both, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

(c) The JSCB has duly authorized by all necessary actions the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it is a party and the performance of its obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of its approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

(d) This Fifth Amended Agreement and each other Project Document to which the JSCB is a party constitutes a legal, valid and binding obligation of the JSCB, enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Fifth Amended Agreement and each other Project Document to which the JSCB is a party, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect

conflict with, or constitute on the part of the JSCB a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the JSCB is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the JSCB.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the JSCB of its respective obligations under this Fifth Amended Agreement or under any other Project Document to which the JSCB is a party or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

(g) The JSCB is not in breach of or default under any agreement or other instrument to which it is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

(h) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the JSCB, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

(i) Any costs of the Series 2018A Project paid from the proceeds of the sale of the Series 2018A Bonds shall be capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2018A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License and to this Fifth Amended Agreement.

(j) All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the JSCB in connection with the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it shall be a party, have been duly obtained.

The Agency makes the following representations and warranties:

(a) The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Fifth

Amended Agreement and each other Project Document to which it is a party and to carry out its obligations hereunder and thereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it is a party.

(b) The Agency hereby determines that the financing of the Facilities through the issuance of the Bonds will further and advance the public purpose of the Agency under the IDA Act and the Syracuse Schools Act.

**Section 10.** The following sections of Article VII of the Original Agreement are amended to read as follows:

Section 7.14(b) of the Original Agreement is amended by deleting the word “and” as it appears between the phrase “Series 2010 Project” and “Series 2011 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2011 Project” as it appears in the paragraph.

Section 7.16 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

No-Default Certificates.

(a) Each School Party shall deliver to the Agency and the Applicable Trustee within one hundred and twenty (120) days after the close of each Fiscal Year, a certificate of an Authorized Representative thereof as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the School Party was in compliance with all the provisions which relate to it in the Agreement and this Fifth Amended Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an event of default thereunder or hereunder, and any action proposed to be taken by the SCSD, the City and/or the JSCB, as applicable, with respect thereto, and, until such time as the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project, as applicable, has been completed and a certificate evidencing the same pursuant to Section 3.2(b) of this Installment Sale Agreement has been delivered to the Agency and the Applicable Trustee, a certificate of an Authorized Representative of the JSCB that the insurance it maintains and/or is required to provide complies with the provisions of Section 5.5 of this Fifth Amended Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Applicable Trustee and are in full force and effect. In addition, upon twenty (20) days' prior request by the Agency or the Applicable Trustee, each School Party will execute, acknowledge and deliver to the Agency and the Applicable Trustee a certificate of an Authorized Representative thereof either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(b) Each School Party shall immediately notify the Agency and the Applicable Trustee of the occurrence of any event of default or any event which with notice and/or lapse of time would constitute an event of default under any Project Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the appropriate School Party and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the notice shall state this fact.

**Section 11.** The following sections of Article VIII of the Original Agreement are amended to read as follows:

Section 8.1(f) of the Original Agreement is amended to read as follows:

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Agency, the Applicable Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions.

**Section 12.** The following sections of Article X of the Original Agreement are amended to read as follows:

Section 10.2. Successors and Assigns. This Agreement shall inure to the benefit of the School Parties, the Agency and the Applicable Trustee and their respective successors and assigns, and shall be binding upon the Agency and the School Parties, subject, however, to the provisions of Sections 7.7 and 7.8 hereof.

Section 10.4. Amendments, Changes and Modifications. Except as otherwise provided herein or in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, subsequent to the issuance of Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, and prior to payment or provision for the payment of the Bonds in full, and payment or provision for the payment of all amounts due and payable to the Agency pursuant hereto or to any indemnity, this Fifth Amended Agreement may not be amended, changed, modified, altered or terminated except as provided in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively.

Section 10.12. Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Project Documents or other agreements executed concurrently herewith or with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011

Project, the Series 2017 Project or the Series 2018A Project), between the Agency and the School Parties relating to the Facilities.

**Section 13.** The Agency and the School Parties agree that this Fifth Amendment to Agreement or a memorandum hereof shall be recorded by the Agency (at the sole cost and expense of the SCSD) in the office of the Clerk of Onondaga County, New York.

**Section 14.** All references in the Original Agreement to "this Agreement" or words of similar import, and the terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in the Original Agreement, shall be deemed to refer to the Original Agreement, as amended by the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and this Fifth Amended Agreement.

**Section 15.** All references in sections of the Original Agreement, not otherwise amended hereby, to "the Trustee" or "the Indenture" or words of similar import, shall be deemed to refer to the Applicable Trustee and the Applicable Indenture within the Original Agreement, as amended hereby.

**Section 16.** Except as expressly amended by the First Amended Agreement, the Second Amendment Agreement, the Third Amended Agreement, the Fourth Amended Agreement and hereby, the Original Agreement is in all respects ratified and confirmed, and all of the terms, provisions and conditions thereof shall be and remain in full force and effect, and the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and this Fifth Amended Agreement and all of the respective terms, provisions and conditions thereof and hereof shall be deemed to be part of the Original Agreement.

**Section 17.** This Fifth Amended Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 18.** The date of this Fifth Amended Agreement shall be for reference purposes only and shall not be construed to imply that this Fifth Amended Agreement was executed on the date first above written. This Fifth Amended Agreement was delivered on March 15, 2018.

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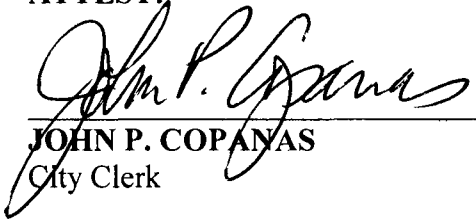


IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

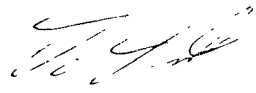
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_, Chairman

ATTEST:

  
JOHN P. COPANAS  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

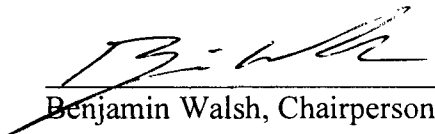
Acknowledged:

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

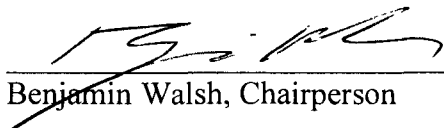
By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By:   
Benjamin Walsh, Chairperson

STATE OF NEW YORK )  
 ) : SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

---

NOTARY PUBLIC

STATE OF NEW YORK )  
 ) : SS.  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **DAVID J. DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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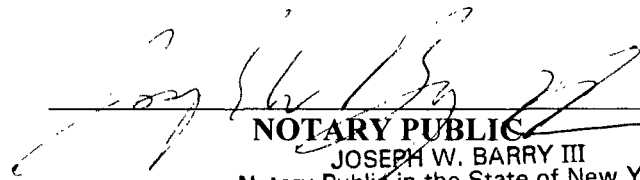
*David J. DelVecchio*  
NOTARY PUBLIC

DAVID S. ZEAFLA  
Notary Public, State of New York  
No. 017210213  
Qualified to Perform Notary Public Duties  
in the County of Onondaga, New York

*2022*

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
JOSEPH W. BARRY III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526  
My Commission Expires 11/6/21

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
**NOTARY PUBLIC**

**IN WITNESS WHEREOF**, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_, Chairman

**ATTEST:**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**,  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

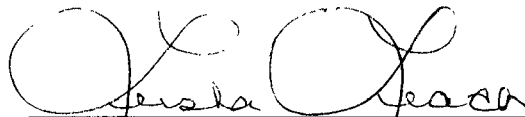
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NOTARY PUBLIC

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the 12<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared Suzanne Slack, **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

LEISHA LEACH  
Notary Public, State of New York  
Qualified in Cayuga County  
No. 01LE6159390  
My Commission Expires January 16, 2019

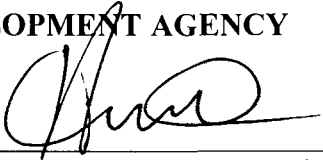


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NOTARY PUBLIC

IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By:   
\_\_\_\_\_  
Honora Spillane, Executive Director

**ATTEST:**

**CITY OF SYRACUSE**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the 14<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5055591  
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of March, in the year 2018, before me, the undersigned, personally appeared **DAVID J. DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
**NOTARY PUBLIC**

## SCHEDULE A

### ANNUAL INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to each series of Project Bonds after giving effect to the issuance of the Series 2018A Bonds.

| Payment Date<br>due April <sup>(1)</sup> | Series 2010<br>Installment<br>Purchase<br>Payments | Series 2011<br>Installment<br>Purchase<br>Payments <sup>(2)(3)</sup> | Series 2017<br>Installment<br>Purchase<br>Payments | Series 2018A<br>Installment<br>Purchase<br>Payments <sup>(4)</sup> | Total<br>Installment<br>Purchase<br>Payments |
|--|--|--|--|--|--|
| 2018                                     | \$2,942,806.26                                     | \$4,572,750.00   | \$1,353,050.00                                     | \$ -   | \$ 8,868,606.26                              |
| 2019                                     | 2,948,306.26                                       | 4,568,500.00   | 3,293,450.00                                       | 1,627,681.25   | 12,437,937.51                                |
| 2020                                     | 2,933,756.26                                       | 4,567,000.00   | 4,037,450.00                                       | 6,268,112.50   | 17,806,318.76                                |
| 2021                                     | 2,938,831.26                                       | 4,572,625.00   | 4,012,850.00                                       | 6,269,612.50   | 17,793,918.76                                |
| 2022                                     | 2,948,240.63                                       | 4,570,000.00   | 4,023,275.00                                       | 6,267,987.50   | 17,809,503.13                                |
| 2023                                     | 2,943,425.00                                       | 4,547,288.50   | 4,016,775.00                                       | 6,267,862.50   | 17,775,351.00                                |
| 2024                                     | 2,928,825.00                                       | 4,422,362.00   | 4,012,525.00                                       | 6,268,737.50   | 17,632,449.50                                |
| 2025                                     | 2,926,050.00                                       | 4,231,082.00   | 4,005,150.00                                       | 6,270,112.50   | 17,432,394.50                                |
| 2026                                     | 2,923,637.50                                       | 4,039,498.88   | 3,073,025.00                                       | 6,266,612.50   | 16,302,773.88                                |
| 2027                                     | 2,921,250.00                                       | 3,876,827.88   | 3,057,150.00                                       | 6,267,737.50   | 16,122,965.38                                |
| 2028                                     | -  | 1,918,775.00   | 1,790,750.00                                       | 6,267,862.50   | 9,977,387.50                                 |
| 2029                                     | -  | -  | 541,050.00   | 6,266,487.50   | 6,807,537.50                                 |
| 2030                                     | -  | -  | 532,875.00   | 6,267,987.50   | 6,800,862.50                                 |
| 2031                                     | -  | -  | -  | 6,266,737.50   | 6,266,737.50                                 |
| 2032                                     | -  | -  | -  | 6,267,112.50   | 6,267,112.50                                 |
| 2033                                     | -  | -  | -  | 6,268,362.50   | 6,268,362.50                                 |
| 2034                                     | -  | -  | -  | 6,265,181.25   | 6,265,181.25                                 |
| <b>TOTAL</b>                             | <b>\$29,355,128.17</b>                             | <b>\$45,886,709.26</b>   | <b>\$37,749,493.75</b>                             | <b>\$95,644,187.50</b>   | <b>\$208,635,399.93</b>                      |

<sup>(1)</sup> An amount equal to the total principal and interest due on Project Bonds each May 1 and November 1 is due in full on each preceding April 1 pursuant to the respective Installment Sale Agreement.

<sup>(2)</sup> Inclusive of Mandatory Sinking Fund Payments for the Series 2011B Bonds.

<sup>(3)</sup> Exclusive of the Federal Interest Subsidy.

<sup>(4)</sup> All of the interest due in fiscal year 2018-19 with respect to the Series 2018A Bonds Installment Purchase Payments totaling \$3,671,525.48 is not shown because it is capitalized.



**EXHIBIT "A"**

**DESCRIPTION OF FACILITIES**

1. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
2. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
3. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
4. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

## SECOND AMENDATORY BILL OF SALE TO AGENCY

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "**City**"), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("**SCSD**"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at City Hall, 233 East Washington Street, Syracuse, New York 13202 (the "**Agency**"), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2011 Bonds (as defined in that certain Installment Sale Agreement dated as of March 1, 2008 (the "**Original Agreement**"), as amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"), as further amended by Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**") as further amended by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"), and together with the Second Amended Agreement, the First Amended Agreement and the Original Agreement, the "**Installment Sale Agreement**") among the Agency, the City, the SCSD and the Syracuse Joint Schools Construction Board; and any and all additions thereto and substitutes therefor, as listed on Schedule "A" attached hereto and made a part hereof. Capitalized terms used herein and in Schedule "A" shall have the meaning given to them in the Installment Sale Agreement.

This Second Amendatory Bill of Sale supplements and amends the Bill of Sale dated as of March 1, 2008 entered between the parties (the "**Bill of Sale to Agency**") and the Amendatory Bill of Sale dated as of December 1, 2010 between the parties (the "**Amendatory Bill of Sale to Agency**"). Except as supplemented and amended herein and hereby, the Bill of Sale to Agency and the Amendatory Bill of Sale to Agency are expressly ratified.

**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.

[Signature page to follow]

IN WITNESS WHEREOF, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of July, 2011.

ATTEST:

CITY OF SYRACUSE

By: John P. Copanas  
John P. Copanas  
City Clerk

By: David J. DelVecchio  
David J. DelVecchio, CPA  
Commissioner of Finance

Acknowledged:

CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE

CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

By: SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,  
its duly authorized agent

By: Stephanie A. Miner  
Stephanie A. Miner, Chairperson

**EXHIBIT "A"**

**TO AMENDATORY BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2011 Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

### THIRD AMENDATORY BILL OF SALE TO AGENCY

**CITY OF SYRACUSE**, a municipal corporation of the State of New York (the “**City**”), having its principal office at City Hall, 233 East Washington Street, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education (“**SCSD**”), having its principal office at 725 Harrison Street, Syracuse, New York 13210, for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the City and the SCSD from the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, having an office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202 (the “**Agency**”), the receipt of which is hereby acknowledged by the City and the SCSD, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the City and the SCSD with proceeds of the sale of the Series 2018A Bonds (as defined in that certain Amendment No. 5 to Installment Sale Agreement, dated as of March 1, 2018 (the “**Fifth Amended Agreement**”) amendatory of an Installment Sale Agreement dated as of March 1, 2008 (the “**Original Agreement**”), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the “**First Amended Agreement**”), Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the “**Second Amended Agreement**”), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the “**Third Amended Agreement**”) and Amendment No. 4 to Installment Sale Agreement, dated as of April 1, 2017 (the “**Fourth Amended Agreement**” and together with the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement, the Original Agreement and this Fifth Amended Agreement, collectively, the “**Installment Sale Agreement**”) each among the Agency, the City, the SCSD and the Syracuse Joint Schools Construction Board; and any and all additions thereto and substitutes therefor, as listed on Schedule “A” attached hereto and made a part hereof. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Installment Sale Agreement.

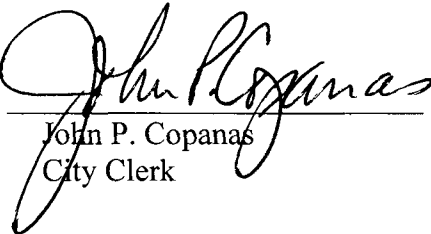
This Third Amendatory Bill of Sale supplements and amends the Bill of Sale dated as of March 1, 2008 entered between the parties (the “**Bill of Sale to Agency**”), the Amendatory Bill of Sale dated as of December 1, 2010 between the parties (the “**Amendatory Bill of Sale to Agency**”) and the Second Amendatory Bill of Sale dated as of July 1, 2011 between the parties (the “**Second Amendatory Bill of Sale**”). Except as supplemented and amended herein and hereby, the Bill of Sale to Agency, the Amendatory Bill of Sale to Agency and the Second Amendatory Bill of Sale are expressly ratified.

**TO HAVE AND HOLD** the same unto the Agency, its successors and assigns, forever.


[Signature page to follow]

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

**ATTEST:**

By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

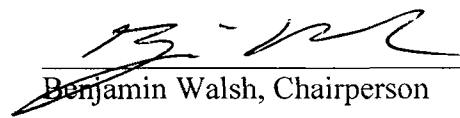
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**IN WITNESS WHEREOF**, the City and the SCSD have each caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

**ATTEST:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**  
**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**EXHIBIT "A"**

**TO AMENDATORY BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or financed with the proceeds of the Series 2018A Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.



---

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

and

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

---

**INSTALLMENT SALE AGREEMENT  
(SERIES 2008 PROJECT)**

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Dated as of March 1, 2008

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2008A

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**TABLE OF CONTENTS**

|                    | <b>Page</b>  |
|--------------------|--|
| <b>ARTICLE I</b>   | <b>DEFINITIONS AND CONSTRUCTION..... 5</b>   |
| Section 1.1.       | Definitions..... 5   |
| Section 1.2.       | Construction..... 11   |
| <b>ARTICLE II</b>  | <b>SALE OF FACILITY; AGREEMENT TERM ..... 12</b>   |
| Section 2.1.       | Sale of the Facilities..... 12   |
| Section 2.2.       | Agreement Term ..... 12  |
| Section 2.3.       | Termination of License ..... 12  |
| <b>ARTICLE III</b> | <b>SERIES 2008 PROJECT AND ISSUANCE OF<br/>SERIES 2008A BONDS..... 14</b>  |
| Section 3.1.       | The Series 2008 Project ..... 14   |
| Section 3.2.       | Project Fund ..... 16  |
| Section 3.3.       | Cooperation in Furnishing Documents ..... 17   |
| Section 3.4.       | Default in Contractors' Performance ..... 17   |
| Section 3.5.       | Issuance of Bonds ..... 18   |
| Section 3.6.       | [Reserved] ..... 18  |
| Section 3.7.       | Expenses Chargeable to the JSCB ..... 18   |
| Section 3.8.       | Additional Facilities..... 18  |
| Section 3.9.       | Use of Series 2008A Bond Proceeds ..... 19   |
| Section 3.10.      | No Warranty of Condition or Suitability ..... 19   |
| <b>ARTICLE IV</b>  | <b>INSTALLMENT PURCHASE PAYMENTS AND OTHER<br/>PAYMENTS ..... 20</b>   |
| Section 4.1.       | Payment of Installment Purchase Payments ..... 20  |
| Section 4.2.       | Direction as to Payment of Installment Purchase Payments..... 21   |
| Section 4.3.       | Indemnification of the Agency and Trustee and Limitation on<br>Liability ..... 21  |
| Section 4.4.       | Nature of Obligations of the City and the SCSD ..... 22  |
| Section 4.5.       | Directed State Aid Revenues ..... 24   |
| Section 4.6.       | Assignment of Installment Purchase Payments by the Agency ..... 25   |
| Section 4.7.       | [Reserved] ..... 25  |
| Section 4.8.       | Compensation and Expenses of Trustee, Depository Bank,<br>Bond Insurer, Bond Registrar, Paying Agents and Agency..... 25 |
| Section 4.9.       | Net Agreement ..... 26   |
| <b>ARTICLE V</b>   | <b>OPERATION AND MAINTENANCE; INSURANCE;<br/>DAMAGE; DESTRUCTION AND CONDEMNATION ..... 27</b>                           |
| Section 5.1.       | Operation, Maintenance and Repair ..... 27   |
| Section 5.2.       | Utilities, Taxes and Governmental Charges ..... 27   |
| Section 5.3.       | Additions, Enlargements and Improvements ..... 27  |
| Section 5.4.       | Additional Rights of the SCSD ..... 28   |
| Section 5.5.       | Liability Insurance ..... 28   |

|                    |  |           |
|--------------------|--|-----------|
| Section 5.6.       | Damage; Destruction or Condemnation.....                       | 30        |
| <b>ARTICLE VI</b>  | <b>REPRESENTATIONS AND WARRANTIES.....</b>                     | <b>32</b> |
| Section 6.1.       | Legal Entity.....  | 32        |
| Section 6.2.       | Legal Authority.....   | 32        |
| Section 6.3.       | Due Authorization.....   | 32        |
| Section 6.4.       | Validity and Enforceability.....                               | 32        |
| Section 6.5.       | No Conflict.....   | 32        |
| Section 6.6.       | Consents and Approvals.....                                    | 32        |
| Section 6.7.       | No Defaults.....   | 33        |
| Section 6.8.       | No Litigation.....   | 33        |
| Section 6.9.       | Essentiality of Series 2008 Project.....                       | 33        |
| Section 6.10.      | Not Indebtedness of the SCSD or the City.....                  | 33        |
| Section 6.11.      | Environmental Quality Review and Historic Preservation.....    | 33        |
| Section 6.12.      | Compliance with the IDA Act and the Syracuse Schools Act.....  | 33        |
| Section 6.13.      | Use of Bond Proceeds.....                                      | 33        |
| Section 6.14.      | Governmental Approvals.....                                    | 34        |
| Section 6.15.      | Interest of Agency.....  | 34        |
| Section 6.16.      | JSCB.....  | 34        |
| Section 6.17.      | Title to Facilities.....                                       | 34        |
| Section 6.18.      | Legal Entity.....  | 34        |
| Section 6.19.      | Legal Authority.....   | 34        |
| Section 6.20.      | Due Authorization.....   | 34        |
| Section 6.21.      | Validity and Enforceability.....                               | 34        |
| Section 6.22.      | No Conflict.....   | 35        |
| Section 6.23.      | Consents and Approvals.....                                    | 35        |
| Section 6.24.      | No Defaults.....   | 35        |
| Section 6.25.      | No Litigation.....   | 35        |
| Section 6.26.      | Environmental Quality Review and Historic Preservation.....    | 35        |
| Section 6.27.      | Use of Bond Proceeds.....                                      | 35        |
| Section 6.28.      | Governmental Approvals.....                                    | 36        |
| Section 6.29.      | Agency Authorization.....                                      | 36        |
| Section 6.30.      | Determination of Public Purpose.....                           | 36        |
| <b>ARTICLE VII</b> | <b>SPECIAL COVENANTS.....</b>                                  | <b>37</b> |
| Section 7.1.       | SCSD's Right to Possession.....                                | 37        |
| Section 7.2.       | [Reserved].....  | 37        |
| Section 7.3.       | Compliance With Laws and Regulations.....                      | 37        |
| Section 7.4.       | Covenant Against Waste.....                                    | 37        |
| Section 7.5.       | Right of Inspection.....                                       | 37        |
| Section 7.6.       | Condition of Facilities.....                                   | 37        |
| Section 7.7.       | Assignment and Sale by the School Parties.....                 | 37        |
| Section 7.8.       | Use of the Facilities.....                                     | 38        |
| Section 7.9.       | Reserved.....  | 38        |
| Section 7.10.      | Compliance With Laws.....                                      | 38        |
| Section 7.11.      | Covenant Not to Affect the Tax-Exempt Status of the Bonds..... | 38        |
| Section 7.12.      | Covenants as to State Aid Depository Agreement.....            | 38        |

|                     |  |           |
|---------------------|--|-----------|
| Section 7.13.       | Filings .....  | 38        |
| Section 7.14.       | Equal Employment Opportunities.....  | 38        |
| Section 7.15.       | Release of Facilities .....  | 39        |
| Section 7.16.       | No-Default Certificates.....   | 39        |
| Section 7.17.       | Further Assurances.....  | 40        |
| Section 7.18.       | Recording and Filing.....  | 40        |
| Section 7.19.       | Furnishing of Information.....   | 40        |
| Section 7.20.       | Use of Bond Proceeds.....  | 40        |
| Section 7.21.       | Compliance With Requirements for State Aid to Education and<br>Other State and/or School Aid ..... | 40        |
| Section 7.22.       | No Impairment of Pledge of State Aid to Education and Other<br>State and/or School Aid .....       | 41        |
| Section 7.23.       | Financial and Other Information to the Bond Insurer.....   | 41        |
| <b>ARTICLE VIII</b> | <b>EVENTS OF DEFAULT AND REMEDIES .....</b>  | <b>42</b> |
| Section 8.1.        | Events of Default .....  | 42        |
| Section 8.2.        | Remedies.....  | 43        |
| Section 8.3.        | Cure.....  | 43        |
| Section 8.4.        | No Remedy Exclusive.....   | 44        |
| Section 8.5.        | Waiver and Non-Waiver .....  | 44        |
| Section 8.6.        | Effect on Discontinuance of Proceedings.....   | 44        |
| Section 8.7.        | Agreement to Pay Attorneys' Fees and Expenses .....  | 44        |
| <b>ARTICLE IX</b>   | <b>LIMITATIONS ON TERMINATION OF AGREEMENT.....</b>  | <b>45</b> |
| Section 9.1.        | Limitations on Termination of Agreement .....  | 45        |
| <b>ARTICLE X</b>    | <b>MISCELLANEOUS .....</b>   | <b>45</b> |
| Section 10.1.       | [Reserved].....  | 45        |
| Section 10.2.       | Successors and Assigns.....  | 45        |
| Section 10.3.       | Severability .....   | 45        |
| Section 10.4.       | Amendments, Changes and Modifications .....  | 45        |
| Section 10.5.       | Amounts Remaining Under the Indenture .....  | 45        |
| Section 10.6.       | Compliance with Indenture.....   | 45        |
| Section 10.7.       | Investment of Moneys.....  | 46        |
| Section 10.8.       | Disclaimer of Personal Liability .....   | 46        |
| Section 10.9.       | Effective Date; Counterparts.....  | 46        |
| Section 10.10.      | Headings .....   | 46        |
| Section 10.11.      | Notices .....  | 46        |
| Section 10.12.      | Prior Agreements Superseded.....   | 47        |
| Section 10.13.      | Governing Laws.....  | 47        |
| Section 10.14.      | Binding Effect.....  | 47        |
| Section 10.15.      | Investment of Funds.....   | 47        |
| Section 10.16.      | Waiver of Trial by Jury.....   | 47        |
| Section 10.17.      | Non-Discrimination .....   | 47        |
| Section 10.18.      | Limitation on Liability of the Agency or the State.....  | 48        |
| Section 10.19.      | Date of Agreement for Reference Purposes Only.....   | 48        |

## INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)

**THIS INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)**, made and entered into as of March 1, 2008 (this "*Agreement*"), by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at City Hall, 223 East Washington Street, Syracuse, New York 13202, **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, and **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, established pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State of New York and an intermunicipal agreement dated as of April 1, 2004, between the City and SCSD ("*JSCB*"), having its principal office at City Hall, Syracuse, New York 13202:

### WITNESSETH:

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the "*State*") and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State has determined that many of the existing school buildings of the SCSD are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State (the "*Syracuse Schools Act*"), the City and the SCSD entered into an intermunicipal agreement dated as of April 1, 2004, pursuant to the General Municipal Law of the State and the charter of the City and established the JSCB to act as agent of the City, the SCSD or both to enter into

contracts with respect to a project as defined in and undertaken pursuant to the Syracuse Schools Act (as so defined, a "Project"); and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, pursuant to the Syracuse Schools Act, a Project undertaken pursuant to the Syracuse Schools Act has been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations and has received a proper application from the JSCB, acting on behalf of the SCSD and the City, for the first phase of the Projects (the "Phase I") to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD's public schools (the "Program"), to induce the Agency to (a) acquire an interest in and (b) undertake (i) the rehabilitation and/or reconstruction of certain existing public schools (including additions to an existing school building and construction or reconstruction of athletic fields, playgrounds and other recreational facilities for such existing school buildings and/or the acquisition and installation of all Equipment (as defined herein) necessary and attendant to and for the use of such existing school building) of the City and the SCSD located within the City (collectively, the "Facilities"), at the sites listed in Exhibit A attached hereto and made a part hereof, and (ii) the financing thereof; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Phase I will assist the SCSD and the City in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, as a result of such negotiations, the JSCB has requested the Agency to issue its revenue bonds from time to time in one or more Series through multiple indentures of trust in an aggregate principal amount not to exceed \$180,000,000 to effect such financing; and

**WHEREAS**, the Agency adopted a resolution on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, authorizing the issuance of its revenue bonds to effect the financing of the Facilities, the acceptance of a license and bill of sale in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency to complete the Series 2008 Project (as defined below) and the sale of the Agency's interests in and to the Facilities pursuant to this Agreement to the City and the SCSD; and

**WHEREAS**, in order to finance a portion of the costs of the Facilities, in furtherance of the Program and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2008A Bonds described herein, the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$49,230,000 (the "Series 2008A Bonds"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency

adopted on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, and an Indenture of Trust (Series 2008 Project), dated as of even date herewith (as the same may be amended or supplemented, the "*Indenture*"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"); and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by Financial Security Assurance Inc. (the "*Series 2008A Bond Insurer*"), which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, the City and the SCSD have granted to the Agency a license in and to the existing school buildings and existing school building sites comprising the Facilities and, pursuant to a bill of sale, conveyed their respective interests in the Equipment to the Agency; and

**WHEREAS**, the Agency will appoint the JSCB as its agent pursuant to this Agreement for the purpose of completing the Series 2008 Project; and

**WHEREAS**, the Agency will sell its interest in the Facilities to the City and the SCSD pursuant to this Agreement; and

**WHEREAS**, it is contemplated that the Agency or other public entity will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, concurrently with the execution hereof, the SCSD and the City will enter into a State Aid Depository Agreement, dated as of even date herewith (the "*State Aid Depository Agreement*"), with Manufacturers and Traders Trust Company, Buffalo, New York, acting as Depository Bank, to provide for, among other things, the payment of all State Aid to Education (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository Bank for periodic transfer to the Bond Fund and equivalent fund established under each Series Indenture (including the Indenture) toward payment of the Series 2008A Bonds and each other series of Project Bonds (as defined herein) issued under a Series Indenture, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund and equivalent fund, if any, established under a Series Indenture (including the Indenture), and the balance to the General Fund (also as defined therein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City or the SCSD shall fail to make a payment due under this Agreement or any other Series Facilities Agreement (as defined herein), the Agency (or the related Series Trustee acting on its behalf) shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the SCSD or the City for the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State of New York in connection with or which are conditions precedent to the due authorization,

execution and delivery of this Agreement have happened, occurred and been taken by the Agency, the City, the SCSD and the JSCB;

**NOW, THEREFORE,** in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (*provided that* in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or a general obligation of the City, and the State of New York shall not be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under this Agreement).



## ARTICLE I

### DEFINITIONS AND CONSTRUCTION

**Section 1.1. Definitions.** Terms not otherwise defined herein shall have the same meanings as used in the Indenture or the State Aid Depository Agreement hereinbelow defined. The following terms shall have the respective meanings in this Agreement:

Additional Facilities shall mean any public school buildings of the City and/or the SCSD as shall after the Closing Date become subject to a Series Facilities Agreement other than this Agreement; *provided, however*, that to the extent that only items of machinery, equipment, furniture, furnishings or fixtures located within a public school building owned by the City and/or the SCSD shall be financed in whole or in part from a Series of Project Bonds, then "Additional Facilities" shall mean only such items so financed and all replacements, repairs or additions thereto.

Additional Payments shall mean all amounts payable by the SCSD and/or the City under this Agreement, other than for Installment Purchase Payments.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Agreement shall mean this Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, among the Agency, the City, the SCSD and the JSCB and shall include any and all amendments and supplements hereto hereafter made in conformity herewith and with the Indenture.

Agreement Term shall mean the duration of this Agreement, as specified in Section 2.2 hereof.

Architect shall mean, with respect to the Central Tech Project, Thomas Associates Architects & Engineers and, with respect to the Design Phase, the respective architect or engineer licensed in the State and selected by the JSCB to prepare Plans and Specifications with respect to a Facility included in the Design Phase.

Authorized Representative shall mean (i) in the case of the Agency, the Chairman, Vice Chairman, or Secretary of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, (ii) in the case of the Program Manager, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Program Manager, or any officer or employee of the Program Manager authorized to perform specific acts or to discharge specific duties, (iii) in the case of the SCSD, the Superintendent of the SCSD, the President of the Board of Education or any other officer or employee of the SCSD authorized to so act, (iv) in the case of the JSCB, the Chairperson or any other representative or agent authorized by the JSCB to so act, and (v) in the case of the City, the Mayor, the Commissioner of

Finance, the City Engineer or any other officer or employee authorized by the City to so act; *provided, however*, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Base Installment Purchase Payment Date shall mean, in the case of the Series 2008A Bonds, April 1 of each year, commencing April 1, 2009, all as set forth in Schedule A to this Agreement.

Base Installment Purchase Payments shall mean those installment purchase payments payable by the City and SCSD pursuant to Section 4.1(a) hereof.

Bill of Sale to Agency shall mean the Bill of Sale (Series 2008 Project) dated as of March 1, 2008 and delivered on the Closing Date from the SCSD and the City to the Agency conveying an interest in all items of Equipment.

Bill of Sale to City and SCSD shall mean the Bill of Sale (Series 2008 Project) from the Agency to the City and the SCSD conveying all of the Agency's interest in the Facility to the City and the SCSD, substantially in the form attached as Exhibit A to this Agreement.

Board of Education shall mean the Board of Education of the City School District of the City of Syracuse.

Bonds shall mean the Series 2008A Bonds and any Series of Additional Bonds issued under the Indenture.

Central Tech Project shall mean the construction of an addition to, and rehabilitation of, the Institute of Technology at Syracuse Central and the acquisition and installation therein of Equipment, the costs of which are being financed by the Series 2008A Bonds.

City shall mean the City of Syracuse, New York.

City Engineer shall mean the Person appointed by the Mayor pursuant to the City Charter as City Engineer.

Closing Date shall mean the date of the original issuance and delivery of the Series 2008A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Construction Contract shall mean one or more contracts procured by the JSCB on behalf of the City and the SCSD in consultation with the City Engineer and the Program Manager and in accordance with Section 103 of the New York General Municipal Law or the Syracuse Schools Act with contractors for the work and materials required to complete the Facilities.

County shall mean Onondaga County, New York.

Depository Bank shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns.

Design Phase shall mean the design and preparation of Plans and Specifications for the construction, reconstruction, rehabilitation and equipping of the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of even date herewith, from the SCSD and the City for the benefit of the Agency, as amended or supplemented.

Equipment shall mean all items of machinery, equipment, furniture, furnishings and fixtures necessary or attendant to the use of a Facility.

Event of Default or event of default shall mean an "event of default" described in Section 8.1 of this Agreement.

Event of Nonappropriation shall mean the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid hereunder, as a result of (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid hereunder or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid hereunder and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional Payments after appropriation by the City therefor.

Facility or Facilities shall mean, as applicable, each existing school building owned by the City and/or the SCSD and described in the Description of Facilities in Exhibit A attached hereto and made a part hereof, including the land upon which such school is located and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 3.1 hereof and the Construction Contracts), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto, together with all items of Equipment located and used therein from time to time; *provided, however*, that (y) to the extent that only items of Equipment or fixtures located within an existing school building owned by the City and/or the SCSD shall be financed in whole or in part from the proceeds of the Series 2008A Bonds, then "Facility" shall mean only such items so financed and all replacements, repairs or additions thereto, and (z) to the extent that an item of property constituting a fixture located at an existing school building is financed in whole or in part from the proceeds of the Series 2008A Bonds, and such existing school building shall not otherwise itself be included within the Facilities subject to the

License and this Agreement, then such fixture shall be deemed property severable from the remainder of the existing school building and thereby subject to the License and to this Agreement.

Fiscal Year shall mean a year commencing on July 1 and ending on the next succeeding June 30.

Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of even date herewith, between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean, collectively, the Base Installment Purchase Payments and the Reserve Payments.

Intermunicipal Agreement shall mean the intermunicipal agreement dated as of April 1, 2004, between the City and SCSD, as amended or supplemented.

License shall mean the License Agreement (Series 2008 Project), dated as of even date herewith, between the City and the SCSD, as licensor, and the Agency, as licensee, with respect to the Facilities, as amended or supplemented.

Net Base Facilities Agreement Payment shall mean the Base Installment Purchase Payment as reduced by any credits from amounts available in the Bond Fund.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed on record which are being contested in good faith and have not proceeded to judgment;

(ii) the liens of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby any of the affected Facility or the interest of the City or the SCSD therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to any Facility which do not in the aggregate materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(v) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vi) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of a Facility which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vii) any obligations or duties affecting any portion of a Facility of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(viii) present or future valid zoning laws or ordinances;

(ix) this Agreement, the Indenture and the License;

(x) the liens of any Series License, Series Facilities Agreement or Series Indenture;  
and

(xi) any other lien which, in the opinion of counsel to the City delivered and addressed to the Agency, the Series 2008A Bond Insurer and the Trustee, will not have a material adverse effect upon the obligations of the School Parties under this Agreement.

Plans and Specifications shall mean, as to a particular Facility, the plans and specifications for the construction, reconstruction, rehabilitation and/or equipping of such Facility, prepared by the Architect and approved by the City, the SCSD and the New York State Education Department, including site plans, as the same may be amended from time to time.

Program Manager means Gilbane Building Company, a Rhode Island corporation.

Program Manager Agreement shall mean the Program Manager Agreement, dated December 5, 2007, between the JSCB, on its own behalf and as agent for the City and SCSD, and the Program Manager, pursuant to which the Program Manager has undertaken to manage the Series 2008 Project, as the same may be amended and supplemented from time to time in accordance therewith.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Documents shall mean, collectively, the Security Documents, the License, the Bill of Sale to Agency, the State Aid Depository Agreement, the Program Manager Agreement, the Intermunicipal Agreement and the Environmental Compliance Agreement.

Reserve Payments shall mean those payments payable by the City and SCSD pursuant to Section 4.1(b) hereof.

Reserved Rights shall have the meaning assigned to that term under the Indenture.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Series Facilities Agreement shall mean this Agreement and each other installment sale agreement or facilities lease agreement pursuant to which the Agency or any other public entity shall sell, lease or sublease Additional Facilities to the City and the SCSD and appoint the JSCB as its agent for purposes of completion of such Additional Facilities, and the City and SCSD shall be obligated to make installment purchase payments or rental payments, as applicable, with respect to a Series of Project Bonds upon terms substantively comparable to that provided in Article IV of this Agreement.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a Series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series License shall mean the License and each other lease or license agreement by the City and/or the SCSD to the Agency or other public entity of Additional Facilities to be financed in whole or in part with a Series of Project Bonds.

Series 2008A Bonds shall mean the \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A of the Agency issued, executed, authenticated and delivered under the Indenture.

Series 2008 Project shall mean, collectively, the Central Tech Project and the Design Phase.

Series Trustee shall mean the Trustee and each financial institution acting as Trustee under a Series Indenture (other than the Indenture).

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of even date herewith, among the SCSD, the City and the Depository Bank, and shall include any and all further amendments or restatements thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Yield shall have the meaning set forth for such term in the Tax Compliance Documents.

**Section 1.2. Construction.** In this Agreement, unless the context otherwise requires:

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Closing Date.

Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

## ARTICLE II

### SALE OF FACILITIES; AGREEMENT TERM

**Section 2.1. Sale of the Facilities.** The Agency hereby sells to the City and the SCSD, and the City and the SCSD hereby purchase from the Agency (both sale and purchase to be effective on the Closing Date), the Agency's interest in the existing school buildings and existing school building sites comprising the Facilities and the Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions herein set forth. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be occupied, maintained, used and operated, (a) in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the date hereof and (b) as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to this Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

**Section 2.2. Agreement Term.** The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Bonds shall cease to be Outstanding and the lien of the Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Agency hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Agency makes no representations whatsoever in connection with the condition of any of the Facilities, and the Agency shall not be liable for any defects therein.

#### **Section 2.3. Termination of License.**

(a) The Agency's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Agency to the SCSD and the City upon the date of completion or abandonment of the Series 2008 Project as evidenced by the certificate of the JSCB delivered pursuant to Section 3.1(j) hereof.

(b) The sale and conveyance of the interest in and to the Facilities shall be effected by the delivery by the Agency to the SCSD and the City of the Notice of Termination of License to the SCSD and the City (in substantially the form attached hereto as Exhibit B and by this reference made a part hereof) and the Bill of Sale to City and SCSD (in substantially the form attached hereto as Exhibit C and by this reference made a part hereof).

(c) The SCSD and the City agree to prepare the Notice of Termination of License and Bill of Sale to City and SCSD and to forward same to the Agency at least thirty (30) days prior to the date that the Facilities or any portion thereof is to be conveyed to the SCSD and the City.



(d) Each of the SCSD and the City hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfer contemplated by this Section 2.3.

(e) This Agreement shall survive the transfer of the Agency's interest in the Facilities to the SCSD and the City pursuant to this Section 2.3 and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the obligations of the School Parties shall survive as set forth in Section 4.3 hereof.

(f) Upon the payment in full of all indebtedness under or secured by this Agreement or the other Project Documents, and notwithstanding the survival of certain obligations of the School Parties as described in Section 4.3 hereof, the Agency and the Trustee shall upon the request of the SCSD and the City execute and deliver to the SCSD and the City such documents as the SCSD and the City may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Agency and the Trustee under the Project Documents.

## ARTICLE III

### SERIES 2008 PROJECT AND ISSUANCE OF SERIES 2008A BONDS

#### **Section 3.1. The Series 2008 Project.**

(a) Pursuant to the License and the Bill of Sale to Agency, respectively, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and title to the Equipment, which interest and title the Agency is hereby selling to the SCSD, subject to the terms and conditions herein set forth.

(b) As promptly as practicable after receipt of the proceeds of sale of the Series 2008A Bonds and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Indenture. The JSCB reasonably believes that the Central Tech Project pursuant to the applicable Plans and Specifications will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Central Tech Project and the Design Phase to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted. The City and the SCSD agree that no delay in the completion of the Central Tech Project or the Design Phase shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the Closing Date will enter into one or more Construction Contracts for completion of the Central Tech Project in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Agency shall expressly provide that the Agency shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Agency shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the work with respect to the Central Tech Project or the Design Phase in full, none of the School Parties shall be entitled to any reimbursement therefor from the Agency, the Series 2008A Bond Insurer, the Trustee or the Holders of any of the Series 2008A Bonds (except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Installment Purchase Payments or Additional Payments to be made under this Agreement.

(c) As between the Agency and the JSCB, the JSCB, acting specifically as agent for the benefit of the Agency, shall be responsible for the letting and supervision of

contracts for the construction, rehabilitation, reconstruction and equipping of a Facility, acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Agency.

(d) In order to accomplish the purposes of the Agency, and to assure the effectuation of the Series 2008 Project in conformity with the Plans and Specifications, the School Parties have undertaken to proceed with the design of the Central Tech Project, all either on their own or, in the case of the JSCB, as agent for the Agency.

(e) As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Agency pursuant to the License and Bill of Sale to Agency, the delivery of any instruments and documents and their filing and recording, if required, (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer, and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds (or any Series of Additional Bonds).

(f) None of the School Parties will terminate the Intermunicipal Agreement or be excused from performing its obligations thereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement. The City and the SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be required to complete the Series 2008 Project. The City and SCSD acknowledge that pursuant to the Syracuse Schools Act, all contracts, agreements and obligations of the JSCB are entered into and made on behalf of the City and the SCSD and in the event that the JSCB shall cease to exist for any reason whatsoever during the term of this Agreement, this Agreement, the Program Manager Agreement and any other contract, agreement or obligation of the JSCB relating to the Facilities shall remain in full force and effect and the City and SCSD shall stand jointly in the place and stead of the JSCB thereunder.

(g) The JSCB covenants that, at all times as it shall be effecting the work of the Series 2008 Project, it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as provided in Section 5.5 of this Agreement. Upon completion of the work with respect to a Facility, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from

appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Facility for the purposes contemplated by this Agreement and shall furnish copies of same to the Trustee immediately upon receipt thereof.

(h) The JSCB further covenants that all contracts entered into by the JSCB for the Series 2008 Project in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

(i) The JSCB covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Agency as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Agency appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

(j) Upon the completion or abandonment by the JSCB of the Series 2008 Project or any portion thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Agency and the Trustee to such effect.

(k) The City agrees to keep and make open to public inspection copies of all payment and performance bonds required by the Syracuse Schools Act and Section 3.1(h) hereof.

### **Section 3.2. Project Fund.**

(a) The Agency has in the Indenture authorized and directed the Trustee to make payments from the Project Fund from time to time to pay the cost of the construction, rehabilitation, reconstruction, and/or equipping of a Facility upon receipt of a requisition signed by an Authorized Representative of the JSCB, in the form set forth in the Indenture, *provided, however*, that for so long as an Event of Default shall exist, no such requisition shall be honored without the prior written consent of the Series 2008A Bond Insurer.

(b) The date of completion of the work for a Facility shall be evidenced to the Agency and the Trustee by a certificate of the JSCB executed by an Authorized Representative of the JSCB stating, except for any costs not then due and payable or the liability for payment of

which is being contested or disputed in good faith by the JSCB (i) the date of completion of such work; (ii) that the related Facility has been completed substantially in accordance with the Plans and Specifications and all labor, services, Equipment, materials and supplies used therefor have been paid for; (iii) that all other facilities necessary in connection with such Facility have been completed and all costs and expenses incurred in connection therewith have been paid; (iv) that all property of such Facility is subject to this Agreement; (v) that, in accordance with all applicable laws, regulations, ordinances and guidelines, such Facility has been made ready for occupancy, use and operation for its intended purposes; (vi) the amount, if any, required in his opinion for the payment of any remaining part of the costs with respect to such Facility; and (vii) the amount of the proceeds of the Series 2008A Bonds, including the investment earnings thereon, expended with respect to such Facility. The foregoing certificate shall be accompanied by a certificate executed by an Authorized Representative of the City certifying as to the determination of the Rebate Amount as provided in the Tax Compliance Documents and the Indenture. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Agency, the Trustee or the School Parties against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.2 of the Indenture, and (z) that no Person other than the Agency and the Trustee may benefit therefrom. Such certificate of the Authorized Representative of the JSCB shall be accompanied by (i) a temporary or permanent certificate of occupancy and any and all permissions, approvals, licenses or consents required of governmental authorities for the occupancy, operation and use of the completed Facility for the purposes contemplated by this Agreement and the Syracuse Schools Act; (ii) a certificate of the JSCB executed by an Authorized Representative of the JSCB that all costs of the completed Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with such Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute in excess of \$100,000, evidence to the Trustee that such costs have been appropriately bonded or that the JSCB shall have or caused to be posted a surety or security at least equal to the amount of such costs); and (iii) such additional documentation, if any, as required by the Indenture. Upon a determination by the JSCB that the amount on deposit in the Account in the Project Fund established with respect to the Central Tech Project and the Design Phase is sufficient to pay all remaining Project Costs thereof, the JSCB shall deliver to the Trustee a Project Fund Sufficiency Certificate (as defined in the Indenture) signed by an Authorized Representative of the JSCB.

**Section 3.3. Cooperation in Furnishing Documents.** The JSCB agrees to furnish to the Trustee any documents that are required to effect payments out of the Project Fund in accordance with Section 3.2 hereof. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the Indenture.

**Section 3.4. Default in Contractors' Performance.** In the event of default of any contractor or subcontractor under any contract made in connection with a particular Facility or Facilities, each School Party will exhaust its remedies against the contractor or subcontractor so in default and against each surety for the performance of such contractor. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Project Fund.

**Section 3.5. Issuance of Bonds.** Contemporaneously with the execution and delivery of this Agreement, the Agency will sell and deliver the Series 2008A Bonds in the aggregate principal amount of \$49,230,000 under and pursuant to a resolution adopted by the Agency on March 4, 2008, authorizing the issuance of the Series 2008A Bonds under and pursuant to the Indenture for the purpose of financing Project Costs of the Central Tech Project and the Design Phase. After the Closing Date, it is contemplated that Additional Bonds will be issued to finance the remaining Project Costs of the Series 2008 Project and for the other purposes set forth in Section 2.7 of the Indenture. It is contemplated that, thereafter, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities pursuant to Phases II through IV of the Program. That portion of the proceeds of sale of the Bonds deposited in the Project Fund shall be applied to the payment of Project Costs in accordance with the provisions of the Indenture.

**Section 3.6. [Reserved].**

**Section 3.7. Expenses Chargeable to the JSCB.** As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay or cause to be paid all expenses or other costs incurred in connection with the Series 2008 Project, including, but not limited to:

(a) all charges incurred in connection with the preparation, delivery, filing, recording (if required) or effectuation of any instruments of conveyance or transfer required by this Agreement, the License, Bill of Sale to Agency, the Program Manager Agreement, the Construction Contracts, the Indenture or any other Project Document;

(b) any closing costs or costs relating to issuance of a Series of Bonds other than those costs referenced in paragraph (i) above;

(c) all lawful claims which might or could if unpaid become a lien or charge on any of the Facilities;

(d) all pre-closing and post-closing taxes, assessments or other governmental or utility charges or impositions relating to any of the Facilities;

(e) the Agency's administrative fee;

(f) any legal fees or expenses incurred by the Agency or the Trustee in connection with the foregoing items of costs related to the issuance of a Series of Bonds;

(g) the State bond issuance charge; and

(h) any other costs incurred by the Agency in carrying out the Series 2008 Project.

**Section 3.8. Additional Facilities.** The Agency and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the related Series Indenture, one or more Series of Additional Bonds or additional Series of Project Bonds may be issued from

time to time pursuant to separate Series Indentures to finance the costs of the construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities or one or more Facilities included in the Design Phase.

**Section 3.9. Use of Series 2008A Bond Proceeds.** The School Parties shall use, or permit or suffer to be used, the proceeds of the Series 2008A Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Documents.

**Section 3.10. No Warranty of Condition or Suitability.** THE AGENCY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE SCHOOL PARTIES OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE SERIES 2008A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2008 PROJECT AND COMPLETE THE SERIES 2008 PROJECT. EACH SCHOOL PARTY IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO A SCHOOL PARTY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF ANY OF THE FACILITIES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

## ARTICLE IV

### INSTALLMENT PURCHASE PAYMENTS AND OTHER PAYMENTS

#### Section 4.1. Payment of Installment Purchase Payments.

(a) Subject to Section 4.4 hereof, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments for the Facilities in the amounts as set forth in Schedule A attached hereto. Base Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Trustee by no later than each Base Installment Purchase Payment Date; *provided, however*, that there shall be credited against any Base Installment Purchase Payments any amounts available for such purpose and on deposit in the Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of the Indenture and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of the Indenture and any Scheduled Debt Service Reserve Fund Earnings to the extent any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received to be deposited in any Account of the Project Fund or to satisfy any deficiency in the Debt Service Reserve Fund as required by Section 5.5 of the Indenture (such net amount being the “*Net Base Facilities Agreement Payment*”); provided, however, that upon receipt by the City and the SCSD of written notice from the Trustee that the Scheduled Debt Service Reserve Fund Earnings were not received in whole or in part, the City and the SCSD shall immediately pay to the Trustee, subject to Section 4.4 hereof, an amount equal to the deficiency (the City and the SCSD hereby acknowledging that such payment obligation is subject to the intercept provisions of the Syracuse Schools Act).

(b) Upon receipt by the City and the SCSD of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund (including any amounts deposited to the Debt Service Reserve Fund pursuant to Section 5.4 of the Indenture) shall be less than the Debt Service Reserve Requirement or upon receipt of notice that the provider of a Reserve Fund Credit Facility is owed any amounts in connection with a draw on such Reserve Account Credit Facility, the City and the SCSD shall immediately pay to the Trustee, subject to Section 4.4 hereof, for deposit in the Debt Service Reserve Fund, an amount equal to the deficiency or the amount so owed the provider of such Reserve Fund Credit Facility.

(c) The City and SCSD (at the direction of an Authorized Representative of the City) shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, together with interest accrued and to accrue and premium, if any, to be paid on a Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be specified in writing by an Authorized Representative of the City at the time of making such prepayment. Upon any such prepayment, the Trustee shall, if necessary, recalculate the schedule of Base Installment Purchase Payments set forth in Schedule A attached hereto in accordance with the Indenture and deliver a revised schedule to the City, the SCSD and the Agency, and such revised schedule shall be deemed to replace the then-existing Schedule A attached hereto.



**Section 4.2. Direction as to Payment of Installment Purchase Payments.** Base Installment Purchase Payments shall be paid to the Trustee for credit to the Bond Fund and Reserve Payments shall be paid to the Trustee for deposit to the Debt Service Reserve Fund to the extent of any deficiency therein.

**Section 4.3. Indemnification of the Agency and Trustee and Limitation on Liability.**

(a) The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Agency, the Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the “*Indemnified Parties*”) harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Series 2008 Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, rehabilitation, equipping, or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) title to any Facility or any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) this Agreement, the Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of this Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

(b) Each School Party hereby releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and the SCSD agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in subdivision (i) through (v) of Section 4.3(a) hereof or at the direction of any School Party with respect to any of such matters above referred to; *provided, however*, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to this Section 4.3; such notice shall be given in sufficient time to allow the SCSD to defend or

participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the SCSD under this Section 4.3, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD's obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.

(c) The indemnifications and protections set forth in this Section 4.3 shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the School Parties contained in this Section 4.3 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

(e) For the purposes of this Section 4.3, none of the School Parties shall be deemed an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

(f) The obligations of the SCSD to the Indemnified Parties under this Section 4.3 and to the Trustee under Section 4.8 hereof shall survive the resignation or removal of the Trustee and the satisfaction and discharge of the Indenture.

#### **Section 4.4. Nature of Obligations of the City and the SCSD.**

(a) Except as hereinafter provided in this Section 4.4, the obligation of the City and SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee, the Bond Insurer, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

(b) The obligation of the City and SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid to Education appropriated by the State and available to the City and/or the SCSD for the purpose of this Agreement and the State Aid Depository Agreement, moneys budgeted by the SCSD and appropriated by the City for such purpose and approved by the SCSD of payment thereof after appropriation by the City therefor, and no liability on account thereof shall be incurred by the SCSD or the City beyond the

amount of such moneys; *provided, however*, that the failure of the City and the SCSD for any reason (including a failure by the SCSD to budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of this Agreement and the Syracuse Schools Act, and in such event, the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. Further, the obligation of the SCSD and the City to pay Installment Purchase Payments is not a general obligation of the SCSD or the City. Neither the faith and credit nor the taxing power of the City are pledged to the payment of any Installment Purchase Payment or Additional Payment due under this Agreement. However, the obligations of the SCSD and the City under this Agreement to pay Additional Payments shall be a general obligation of the City and SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither this Agreement nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of this Agreement.

(c) The obligations of the City and the SCSD under this Agreement, including their respective obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which this Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness or moral obligation of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due hereunder shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

(d) The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, *provided, however*, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid to Education, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

(e) Subject to the limitations contained in Section 4.4(b) hereof, none of the School Parties will terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use

of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement.

(f) The School Parties presently intend to continue this Agreement for its entire term, and the City and the SCSD presently intend to pay all Base Installment Purchase Payments specified in Schedule A as such Base Installment Purchase Payments come due under the terms and provisions of this Agreement.

(g) No provision contained in this Section 4.4 shall be deemed to limit, impair or modify the intercept provisions of the Syracuse Schools Act or the application of the provisions of Section 5.4 of the Indenture.

(h) For purposes of this Section 4.4, references to the “approval” of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City’s Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

#### **Section 4.5. Directed State Aid Revenues.**

(a) Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller’s Office to deposit all State Aid to Education into the State Aid Depository Fund established under the State Aid Depository Agreement, and the Commissioner of Finance of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Depository Agreement, to transfer State Aid to Education to the Trustee and each other Series Trustee in accordance with the State Aid Depository Agreement for the purpose of, in the case of the Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and the SCSD agree not to modify the procedures set forth in the State Aid Depository Agreement for the collection, deposit or disbursement of State Aid to Education, except as and to the extent permitted under the State Aid Depository Agreement.

(b) Each of the City and the SCSD acknowledge that, pursuant to Section 5.4 of the Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under this Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget and appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Agency has appointed the Trustee to act as its agent under the Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD state and/or school aid as is payable to the City and/or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such state and/or school aid so withheld. Notwithstanding anything to the contrary contained herein, amounts of such state and/or school aid received by the Trustee on behalf of the Agency

and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

**Section 4.6. Assignment of Installment Purchase Payments by the Agency.** It is understood that this Agreement and all Installment Purchase Payments by the City and the SCSD hereunder (except Additional Payments pursuant to Sections 4.3 and 4.8 hereof and other Additional Payments and/or rights comprising the Reserved Rights) are to be pledged and assigned by the Agency to the Trustee pursuant to the Indenture, and the City and the SCSD hereby consent thereto. Except as provided in this Section 4.6 and the Indenture, the Agency shall not assign this Agreement or any Installment Purchase Payments hereunder.

**Section 4.7. [Reserved].**

**Section 4.8. Compensation and Expenses of Trustee, Depository Bank, Bond Insurer, Bond Registrar, Paying Agents and Agency.** The City and the SCSD shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following annual fees, charges and expenses and other amounts: (1) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including the fees and expenses of any accountant or other agent engaged by the Trustee for performing such services, and the fees and expenses as Bond Registrar, and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture, (2) the reasonable fees and charges of the Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Indenture, including the reasonable fees of its counsel, (3) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, (4) the initial and annual fees of the Depository Bank for the ordinary services of the Depository Bank rendered and its ordinary expenses incurred under the State Aid Depository Agreement, and (5) the fees, costs and expenses of the Bond Registrar and the fees, costs and expenses (including legal, accounting and other administrative expenses) of the Agency. The City and the SCSD shall further pay the fees, costs and expenses of the Agency together with any reasonable fees and disbursements incurred by the Agency's bond counsel and general counsel in connection with (i) the Projects or this Agreement, including fees and expenses incurred by the Agency after the occurrence and during the continuance of an Event of Default as provided in Section 8.1 of this Agreement, (ii) the negotiation and execution of this Agreement, the Indenture and other Project Documents; and (iii) any waiver, modification or amendment to this Agreement, the Indenture or any other Project Document that may be requested by a School Party or any party thereto, and consented to by the City and the SCSD, or any action by the Agency requested by a School Party thereunder. The City and the SCSD shall further pay to the Agency on the date of issuance of the Series 2008A Bonds and on the date of issuance of any Additional Bonds an amount equal to one-half of one percent (1/2 of 1%) of the principal amount of such Series of Project Bonds.

The City and the SCSD shall pay or reimburse the Bond Insurer for any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Security Document; (ii) the pursuit of any remedies under the Indenture or any

Related Security Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, any Project Document whether or not executed or completed, (iv) the violation by the Agency or a School Party of any law, rule or regulation, or any judgment, order or decree applicable to it or (v) any litigation or other dispute in connection with the Indenture or any other Project Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Project Document.

**Section 4.9. Net Agreement.** This Agreement shall be deemed and construed to be a “net agreement,” and the City and the SCSD shall pay absolutely net during the Agreement Term the Installment Purchase Payments and all other payments required hereunder, free of all deductions, without abatement, diminution and set off.

## ARTICLE V

### **OPERATION AND MAINTENANCE; INSURANCE; DAMAGE; DESTRUCTION AND CONDEMNATION**

**Section 5.1. Operation, Maintenance and Repair.** During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Agency shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD hereby agrees to assume full responsibility therefor.

#### **Section 5.2. Utilities, Taxes and Governmental Charges.**

(a) The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

(b) In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Agency, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments hereunder when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof pursuant hereto; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder.

**Section 5.3. Additions, Enlargements and Improvements.** The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto.

**Section 5.4. Additional Rights of the SCSD.** The Agency agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of the SCSD and, if not constituting part of the Series 2008 Project, shall not become subject to this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof.

**Section 5.5. Liability Insurance.**

(a) The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Agency and the Trustee until completion of the Series 2008 Project in accordance with Section 3.2(b) hereof, the following kinds and the following amounts of insurance with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

(i) During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Agency or the Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to \$20,000,000 for any one Facility;

(ii) During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of \$26,000,000 per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, *provided, however*, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and

(iii) Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Agency is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Series 2008 Project; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by law.



(b) Prior to the commencement of construction of the Facilities, the JSCB shall deliver or cause to be delivered to the Agency and to the Trustee duplicate copies of insurance policies obtained by the JSCB hereunder and/or binders evidencing compliance with the insurance requirements of this Section 5.5. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Agency and the Trustee thirty (30) days in advance of such change.

(c) At least thirty (30) days prior to the expiration of any insurance policy required under this Section 5.5, the JSCB shall furnish the Agency and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(d) All insurance required by Section 5.5(a) above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State. Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) provide that there shall be no recourse against the Agency or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(ii) provide that in respect of the interests of the Agency and the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of a School Party or any other Person and shall insure the Agency and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(iii) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency or the Trustee to the extent that such other insurance provides the Agency or the Trustee with contingent and/or excess liability insurance with respect to its interest as such in the Facilities;

(iv) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency or the Trustee until at least thirty (30) days after receipt by the Agency and the Trustee of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(v) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vi) contain such other terms and provisions as any owner or operator of facilities similar to the Facilities would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Facilities owned or operated by it.

(e) The JSCB shall, at the cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Agency or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section 5.5. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 5.5 would or might be suspended or impaired.

(f) The SCSD hereby assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Agency and the Trustee against, or to reimburse the Agency and the Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required hereby. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

#### **Section 5.6. Damage, Destruction or Condemnation.**

(a) The School Parties agree to notify the Agency and the Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty, and shall state the plans of the School Parties with respect to the repair, reconstruction and restoration of the affected Facility.

(b) If any Facility or portion thereof shall be condemned or taken by eminent domain, this Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD hereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the "*termination date*"), and the School Parties will promptly give notice thereof to the Agency and the Trustee, and shall state the plans of the School Parties with respect to the replacement or restoration of the affected Facility.

(c) If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a "*Loss Event*") at any time while this Agreement is in effect:

(i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under this Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance or any condemnation award (after payment of all reasonable expenses, costs and taxes (including attorneys' fees) (the "*Net Proceeds*") incurred in obtaining such proceeds) shall be deposited in the Project Fund, and, subject to the provisions of Section 5.6(a)(iv) below, at the option of the City, shall be applied to either (A) replace, repair, rebuild, restore or relocate the affected Facility, or

(B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Indenture; and

(iv) If the School Parties replace, repair, rebuild, restore or relocate the affected Facility, the Trustee shall disburse such proceeds from the Project Fund in the manner set forth in Section 5.2 of the Indenture to pay or reimburse the School Parties for the cost of such replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in Section 5.1(a) (iii) hereof, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than \$50,000, and (B) no Event of Default then exists under the Indenture or this Sale Agreement; the School Parties shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance herewith and with the Tax Compliance Documents.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a "project" as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the School Parties in accordance with the terms of the applicable contracts.

(d) In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the School Parties shall nonetheless complete the work and pay from their own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this Section, whether or not requiring the expenditure of the money of the School Parties, shall automatically become a part of a Facility as if the same were specifically described herein.

(e) Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Indenture or the Tax Compliance Documents, be used to redeem the Bonds as provided in the Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES

Each of the City and the SCSD hereby represents and warrants as follows:

**Section 6.1. Legal Entity.** The SCSD is a school district of the State, duly created and validly existing under the Constitution and laws of the State. The City is a municipal corporation of the State duly created and validly existing under the Constitution and laws of the State.

**Section 6.2. Legal Authority.** The School Parties have the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which any of them is a party, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.3. Due Authorization.** The City and the SCSD have duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which any School Party is a party and the performance of their respective obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of their respective approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.4. Validity and Enforceability.** This Agreement and each other Project Document to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party constitutes a legal, valid and binding obligation of the City or the SCSD, as the case may be, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.5. No Conflict.** This Agreement and each other Project Document to which the City and/or the SCSD is a party or to which the JSCB is a party on behalf of the City, the SCSD or both, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of such Person a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the City or the SCSD, as the case may be.

**Section 6.6. Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the SCSD and/or the City of its respective obligations hereunder or under any other Project Document to which the SCSD and/or the City or the JSCB,

on behalf of the City, the SCSD or both, is a party or to which it is bound or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.7. No Defaults.** Neither the City nor the SCSD is in breach of or default under any agreement or other instrument to which it or the JSCB, on behalf of the City, the SCSD or both, is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.8. No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the City or the SCSD, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or to which it is bound or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.9. Essentiality of Series 2008 Project.** Both the City and the SCSD by appropriate legislative or administrative action have determined that the Series 2008 Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City and the SCSD have further determined that the Series 2008 Project shall continue to be essential to such administration and to meet such needs throughout the Agreement Term.

**Section 6.10. Not Indebtedness of the SCSD or the City.** This Agreement and the obligations of the SCSD hereunder do not and will not constitute indebtedness or moral obligation of the SCSD or the City under Article VIII of the State Constitution or Section 20.00 of the Local Finance Law of the State nor shall they constitute a contractual obligation in excess of the amounts appropriated therefor.

**Section 6.11. Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.12. Compliance with the IDA Act and the Syracuse Schools Act.** The SCSD covenants and agrees to operate each of the Facilities or cause each of the Facilities to be operated in accordance with (i) this Agreement, (ii) as a qualified Project in accordance with and as defined under the Syracuse Schools Act, and (iii) as a "project" in accordance with the IDA Act.

**Section 6.13. Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be treated or capable of being treated on

the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License, the Bill of Sale to the Agency and to this Agreement.

**Section 6.14. Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the City and/or the SCSD in connection with (y) the execution and delivery of this Agreement and each other Project Document to which such Person shall be a party or to which it is bound, and (z) the granting of the interest in the Facilities by the SCSD and the City to the Agency pursuant to the License and Bill of Sale to Agency, have been duly obtained.

**Section 6.15. Interest of Agency.** Pursuant to the License and Bill of Sale to Agency, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and valid ownership interest in the Equipment, all of which has been sold by the Agency to the SCSD pursuant to this Agreement.

**Section 6.16. JSCB.** The SCSD and the City have duly established the JSCB pursuant to the Syracuse Schools Act and the Intermunicipal Agreement. The Intermunicipal Agreement is in full force and effect and has not been amended, modified or rescinded. This Agreement, the other Project Documents to which the JSCB, on behalf of the City, the SCSD or both, is a party and the acts, agreements and contracts of the JSCB, on behalf of the City, the SCSD or both, have been ratified and/or approved and duly authorized by the City and the SCSD, as the case may be, and constitute valid and binding obligations of the City and the SCSD, as the case may be.

**Section 6.17. Title to Facilities.** The City and the SCSD have and will have good and marketable title to the Facilities, subject only to Permitted Encumbrances.

The JSCB makes the following representations and warranties:

**Section 6.18. Legal Entity.** The JSCB has been duly created and is validly existing under the Constitution and laws of the State.

**Section 6.19. Legal Authority.** The JSCB, has the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which it is a party, on its own behalf or on behalf of the City, the SCSD or both, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.20. Due Authorization.** The JSCB has duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which it is a party and the performance of its obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of its approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.21. Validity and Enforceability.** This Agreement and each other Project Document to which the JSCB is a party constitutes a legal, valid and binding obligation of the

JSCB, enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.22 No Conflict.** This Agreement and each other Project Document to which the JSCB is a party, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of the JSCB a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the JSCB is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the JSCB.

**Section 6.23 Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the JSCB of its respective obligations hereunder or under any other Project Document to which the JSCB is a party or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.24 No Defaults.** The JSCB is not in breach of or default under any agreement or other instrument to which it is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.25 No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the JSCB, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.26 Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.27 Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles

applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License and to this Agreement.

**Section 6.28 Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the JSCB in connection with the execution and delivery of this Agreement and each other Project Document to which it shall be a party, have been duly obtained.

The Agency makes the following representations and warranties:

**Section 6.29 Agency Authorization.** The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and each other Project Document to which it is a party and to carry out its obligations hereunder and thereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement and each other Project Document to which it is a party.

**Section 6.30 Determination of Public Purpose.** The Agency hereby determines that the financing of the Facilities through the issuance of the Bonds will further and advance the public purpose of the Agency under the IDA Act and the Syracuse Schools Act.



**ARTICLE VII**  
**SPECIAL COVENANTS**

**Section 7.1. SCSD's Right to Possession.** Except as otherwise provided herein, the SCSD shall be entitled to sole possession of the Facilities during the Agreement Term.

**Section 7.2. [Reserved].**

**Section 7.3. Compliance With Laws and Regulations.** Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the School Parties and any of the Facilities or the use or manner of use of any of the Facilities; *provided, however*, the obligation of the JSCB or the SCSD, as the case may be, to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

**Section 7.4. Covenant Against Waste.** Each of the JSCB and the SCSD covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any of the Facilities.

<sup>o</sup>b **Section 7.5. Right of Inspection.** The SCSD covenants and agrees to permit the Agency and the Trustee and the authorized agents and representatives of the Agency and the Trustee upon reasonable notice to the SCSD, to enter any of the Facilities for the purpose of inspecting the same.

**Section 7.6. Condition of Facilities.** Immediately upon the availability of any part of a Facility for use by the JSCB or the SCSD, the JSCB or the SCSD shall become thoroughly familiar with the physical condition of such part of the Facility. The Agency makes no representations whatever in connection with the condition of any Facility, and the Agency shall not be liable for any defects therein.

**Section 7.7. Assignment and Sale by the School Parties.** The School Parties will not sell, lease, transfer or otherwise dispose of or encumber any of their interest in any of the Facilities except in the case of Permitted Encumbrances or as provided in Section 7.15 hereof; *provided, however*, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and this Agreement, (y) upon delivery to the Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under this Agreement, and (z) upon delivery to the Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license, as applicable, will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes. This Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Agency, the other School Parties and the Trustee (which consent may be unreasonably withheld), but no assignment shall relieve the

School Parties, as applicable, from primary liability for any of its obligations hereunder, and in the event of any such assignment the School Parties shall continue to remain primarily liable for the payments specified herein and the SCSD, the City and/or the JSCB, as applicable, for performance and observance of the other agreements on its part herein provided.

**Section 7.8. Use of the Facilities.** Each Facility shall be used by the SCSD or any other governmental agency, department, division, commission or board thereof and used for public purposes of the SCSD or such agency, department, division, commission or board, and as a “project” under the IDA Act and as a Project as provided in the Syracuse Schools Act.

**Section 7.9. [Reserved].**

**Section 7.10. Compliance With Laws.** The parties hereto agree to comply with all laws, rules, regulations, orders and decrees applicable to the Facilities or the performance hereof.

**Section 7.11. Covenant Not to Affect the Tax-Exempt Status of the Bonds.** The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Documents and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

**Section 7.12. Covenants as to State Aid Depository Agreement.** The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller’s office to forward all State Aid to Education payments to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Depository Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Depository Agreement.

**Section 7.13. Filings.** The City shall be responsible for the filing of financing statements (including continuation statements) in connection with and in order to continue the security interest created by the Indenture.

**Section 7.14. Equal Employment Opportunities.**

(a) The SCSD shall ensure that all employees and applicants for employment with regard to each of the Facilities are afforded equal employment opportunities without discrimination.

(b) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Series 2008 Project (whether by the SCSD or any other occupant of a Facility) shall be listed by the SCSD (or, if applicable, such other occupant) with the New York State Department of Labor Community Services Division, and with the administrative entity of each service delivery area created by the Workforce Investment Act of 1998 (P.L. No. 05-220) in which each of the Facilities is located. Except as is otherwise provided by collective bargaining contracts or agreements, the SCSD agrees, and shall cause any other occupant of a Facility to agree, where practicable, to first consider persons eligible to participate in the Workforce Investment Act of 1998 (P.L. No. 105-220) programs who shall be referred by administrative entities of service delivery areas

created pursuant to such act or by the Community Services Division of the New York State Department of Labor for such new employment opportunities.

**Section 7.15. Release of Facilities.** Notwithstanding any other provision of this Agreement, so long as there exists no event of default hereunder, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Agency and the Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from this Agreement and the License. Upon receipt of such notice, the Agency and the Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to this Agreement and the License; *provided, however*, that in the event the release is of the last remaining Facility, the SCSD and the City must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions of this Section 7.15 shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments payable under Section 4.1 hereof or the Additional Payments required to be made by the SCSD and the City under this Agreement.

**Section 7.16. No-Default Certificates.**

(a) Each School Party shall deliver to the Agency, the Series 2008A Bond Insurer and the Trustee within one hundred and twenty (120) days after the close of each Fiscal Year, a certificate of an Authorized Representative thereof as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the School Party was in compliance with all the provisions which relate to it in this Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an event of default hereunder, and any action proposed to be taken by the SCSD, the City and/or the JSCB, as applicable, with respect thereto, and, until such time as the Series 2008 Project has been completed and a certificate evidencing the same pursuant to Section 3.2(b) of this Agreement has been delivered to the Agency and the Trustee, a certificate of an Authorized Representative of the JSCB that the insurance it maintains and/or is required to provide complies with the provisions of Section 5.5 of this Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect. In addition, upon twenty (20) days' prior request by the Agency, the Series 2008A Bond Insurer or the Trustee, each School Party will execute, acknowledge and deliver to the Agency, the Series 2008A Bond Insurer and the Trustee a certificate of an Authorized Representative thereof either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(b) Each School Party shall immediately notify the Agency, the Series 2008A Bond Insurer and the Trustee of the occurrence of any event of default or any event which with

notice and/or lapse of time would constitute an event of default under any Project Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the appropriate School Party and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the notice shall state this fact.

**Section 7.17. Further Assurances.** Each School Party will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the SCSD and the City, as the Agency or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Agency or the Trustee hereunder, under the Indenture or under any other Project Documents.

**Section 7.18. Recording and Filing.** The Pledge and Assignment and this Agreement as originally executed or a memorandum thereof shall be recorded by the SCSD in the appropriate office of the Clerk of the County, or in such other office as may at the time be provided by law as the proper place for the recordation thereof. The security interest of the Trustee created under the Indenture shall be perfected by the filing of financing statements by the SCSD which fully comply with the New York State Uniform Commercial Code - Secured Transactions in the office of the Secretary of State of the State, in the City of Albany, New York. The City shall file or cause to be filed all necessary continuation statements (and additional financing statements) within the time prescribed by the New York State Uniform Commercial Code - Secured Transactions in order to continue (or attach and perfect) the security interest created by the Indenture, to the end that the rights of the Agency, the Holders of the Bonds and the Trustee in this Agreement, in the Installment Purchase Payments payable under this Agreement and in the Trust Estate, shall be fully preserved as against creditors or purchasers for value from the Agency, the City or the SCSD. The Agency and the Trustee are authorized, if permitted by applicable law, to file one or more Uniform Commercial Code financing statements disclosing any security interest in this Agreement and the Installment Purchase Payments due under this Agreement.

**Section 7.19. Furnishing of Information.** Each School Party shall promptly furnish to the Agency and the Trustee such information, in such form and supported by such certifications as the Agency or the Trustee shall reasonably request, relating to such School Party and the Facilities, and the past, present and future employment by the SCSD at the Facilities.

**Section 7.20. Use of Bond Proceeds.** Each School Party shall use, or permit or suffer to be used, the proceeds of the Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Documents.

**Section 7.21. Compliance With Requirements for State Aid to Education and Other State and/or School Aid.** The School Parties will comply with all requirements necessary to ensure receipt of State Aid to Education or other state and/or school aid payable to the City or the SCSD over the term of this Agreement.

**Section 7.22. No Impairment of Pledge of State Aid to Education and Other State and/or School Aid .** Each of the SCSD and the City covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act; *provided, however*, that nothing contained in this Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Agency under the Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for hereunder.

**Section 7.23. Financial and Other Information to the Series 2008A Bond Insurer.** Each of the SCSD and the City agrees, for the benefit of the Series 2008A Bond Insurer, to deliver to the Series 2008A Bond Insurer (w) its annual unaudited financial statements as soon as available, (x) its annual audited financial statements after the end of the Fiscal Year as soon as possible but not later than three hundred sixty (360) days after the end of the Fiscal Year (together with a certification by the City and the SCSD that they are not aware of any default or Event of Default under the Indenture), (y) its annual budget within thirty (30) days after the approval thereof, and (z) such other information, data or reports as the Series 2008A Bond Insurer shall reasonably request from time to time.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.1. Events of Default.** An “event of default” or a “default” shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Agency or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Agency or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Agency, the Series 2008A Bond Insurer, the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same can not be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions; *provided, however*, that unless the Series 2008A Bond Insurer shall consent in writing to a longer period, it shall constitute an Event of Default under this paragraph (f) if such failure shall not be remedied within sixty (60) days after receipt by the defaulting party of the above written notice;

(g) The City or the SCSD shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the City or the SCSD seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors,

or seeking the entry of an order for relief or the appointment of a receiver; trustee, or other similar official for it for any substantial part of its property; or the City or the SCSD shall authorize any of the actions set forth above in this paragraph (g); or

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under this Agreement shall constitute a failure to make a payment under this Agreement for purposes of the Syracuse Schools Act, and in such event the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Year, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

**Section 8.2. Remedies.** Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Agency (with the prior written consent of the Trustee) or the Trustee, subject in all respects to Section 4.4 hereof, 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 School Parties hereunder. Notwithstanding the foregoing, for so long as any of the Bonds are Outstanding or any amounts remain due and payable by the City or the SCSD under this Agreement, neither the Agency nor the Trustee shall take any action which shall have the effect of terminating this Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, *provided, however*, that in addition to any other rights or remedies granted by this Section to the Agency, the Agency may enforce any of the Agency's Reserved Rights without the consent of the Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to this Section 8.2 shall relieve any School Party from its obligations hereunder, all of which shall survive any such action.

**Section 8.3. Cure.** Notwithstanding any remedy taken by the Agency or the Trustee pursuant to Section 8.2 hereof, if all arrears of Installment Purchase Payments, and all other

Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Trustee (including reasonable attorneys' fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Trustee or the Agency.

**Section 8.4. No Remedy Exclusive.** Subject to the provisions of the second sentence of Section 8.2 hereof, no remedy herein conferred upon or reserved to the Agency or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder 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 default shall impair any such right or power or shall 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 or the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**Section 8.5. Waiver and Non-Waiver.** In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 8.6. Effect on Discontinuance of Proceedings.** In case any proceeding taken by the Trustee under the Indenture or this Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then, and in every such case, the Agency, the Trustee, the Bond Insurer and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

**Section 8.7. Agreement to Pay Attorneys' Fees and Expenses.** In the event the Agency, the Bond Insurer or the Trustee should employ attorneys or incur other expenses for the collection of Installment Purchase Payments or Additional Payments payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the School Parties herein contained or contained in any other Project Document, each of the City or the SCSD agree that it will on demand therefor pay to the Agency, the Bond Insurer or the Trustee the reasonable fees and disbursements of such attorneys and such other expenses so incurred.



## ARTICLE IX

### LIMITATIONS ON TERMINATION OF AGREEMENT

**Section 9.1. Limitations on Termination of Agreement.** Notwithstanding any provisions of this Agreement to the contrary, neither the Agency, the Trustee nor any School Party shall take or fail to take any action which would cause this Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under this Agreement or prior to the discharge of the lien of the Indenture.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1 [Reserved].**

**Section 10.2. Successors and Assigns.** This Agreement shall inure to the benefit of the School Parties, the Series 2008A Bond Insurer, the Agency and the Trustee and their respective successors and assigns, and shall be binding upon the Agency and the School Parties, subject, however, to the provisions of Sections 7.7 and 7.8 hereof.

**Section 10.3. Severability.** In the event any one or more of the covenants, stipulations, promises, obligations and agreements herein on the part of the Agency or a School Party to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, or agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements herein contained and shall in no way affect the validity or enforceability of the other provisions hereof.

**Section 10.4. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, subsequent to the issuance of Series 2008A Bonds, and prior to payment or provision for the payment of the Bonds in full, and payment or provision for the payment of all amounts due and payable to the Agency pursuant hereto or to any indemnity, this Agreement may not be amended, changed, modified, altered or terminated except as provided in the Indenture.

**Section 10.5. Amounts Remaining Under the Indenture.** It is agreed by the parties hereto that any amounts remaining in any fund or account created under the Indenture, upon expiration or sooner termination of the Agreement Term, as provided herein, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges, indemnities and expenses of the Trustee, the Paying Agents, the Bond Insurer and the Agency in accordance herewith and with the Indenture, shall belong to and be paid to the City for the benefit of the SCSD.

**Section 10.6. Compliance with Indenture.** Each School Party hereby approves of and agrees to the provisions of the Indenture. Each School Party agrees to do all things within its

power in order to enable the Agency to comply with all requirements and to fulfill all covenants of the Indenture so that the Agency will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

**Section 10.7. Investment of Moneys.** The Agency hereby acknowledges that the City may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Agency nor the Trustee shall have any liability arising out of or in connection with the making or disposition of any investment authorized by the provisions of Section 5.6 of the Indenture in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment or disposition.

**Section 10.8. Disclaimer of Personal Liability.** No recourse shall be had against or liability incurred by any official or member of any School Party or any officer or employee of any School Party, or any person executing this Agreement for any covenants and provisions hereof or for any claims based thereon, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any official, member, officer or employee of a School Party.

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

**Section 10.9. Effective Date; Counterparts.** This Agreement shall become effective upon its delivery. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 10.10. Headings.** The headings preceding the text of the several Articles and Sections hereof and any table of contents appended to copies hereof shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**Section 10.11. Notices.** All notices, demands or other communications hereunder shall be sufficient if sent by registered or certified United States mail, postage prepaid, addressed, if to the Agency, City Hall, Syracuse, New York 13202, Attention: Chairman; in the case of the City, addressed to it to the attention of the Mayor, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the SCSD, addressed to it to the attention of the SCSD's Superintendent, at 725 Harrison Street, Syracuse, New York 13210, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the JSCB, addressed to it to the attention of the Chairman, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the addresses of such principal corporate trust office; and in the case of the Bond Insurer, to Financial Security Assurance Inc.,

32 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 210115-N, Telephone: (212) 826-0100, Telecopier: (212) 339-3552; in each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED,” and in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

**Section 10.12. Prior Agreements Superseded.** This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Project Documents or other agreements executed concurrently herewith or with respect to the Series 2008 Project), between the Agency, on the one hand, and the School Parties, on the other hand, relating to the Facilities.

**Section 10.13. Governing Laws.** This Agreement shall be governed and construed in accordance with the laws of the State.

**Section 10.14. Binding Effect.** This Agreement shall inure to the benefit of, and shall be binding upon, the Agency and the School Parties and their respective successors and assigns.

**Section 10.15. Investment of Funds.** Any moneys held as part of the Project Fund, the Bond Fund, the Debt Service Reserve Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the joint written request of an Authorized Representative of the City, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the applicable Tax Compliance Documents). Neither the Agency nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

**Section 10.16. Waiver of Trial by Jury.** The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the Facilities or any matters whatsoever arising out of or in any way connected with this Agreement.

The provisions of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

**Section 10.17. Non-Discrimination.**

(a) At all times during the maintenance and operation of the Facilities, the SCSD shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The SCSD shall use its best efforts to ensure that employees and applicants for employment with the SCSD are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term “treated” shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for

training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The SCSD shall, in all solicitations or advertisements for employees placed by or on behalf of the SCSD, state that all qualified applicants will be considered for employment without regard to race, color, creed, age, sex or national origin.

(c) The SCSD shall furnish to the Agency all information required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section.

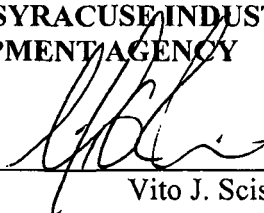
**Section 10.18. Limitation on Liability of the Agency or the State.** The liability of the Agency to the School Parties under this Agreement and to the Trustee and the Holders of the Bonds shall be enforceable only out of, and limited to, the Agency's interest under this Agreement and under the License and the security interest created by the Indenture. There shall be no other recourse against the Agency, its members, directors, officers, agents, servants and employees and persons under the Agency's control or supervision, past, present or future, or against any of the property now or hereafter owned by it or them. Any obligation the Agency may incur for the payment of money in the performance of this Agreement shall not create a debt of the State, and the State shall be not liable on any obligation so incurred. Any such obligation shall be payable solely out of any payments or other proceeds or funds derived from this Agreement. All obligations of the Agency under this Agreement shall be deemed to be the obligation of the Agency, and not of any member, director, officer, servant, employee or agent of the Agency or person under the Agency's control or supervision, past, present or future, in his individual capacity. No recourse shall be had against any such persons, or against any natural person executing the Bonds, for any claim against the Agency arising under this Agreement, including, without limitation, any claim for the payment of the principal of, redemption premium, if any, or interest on the Bonds.

**Section 10.19. Date of Agreement for Reference Purposes Only.** The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was executed and delivered on the date of original issuance and delivery of the Series 2008A Bonds.

IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:



Vito J. Sciscioli  
Vice Chairman

**ATTEST:**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By:

\_\_\_\_\_  
Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:

\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:

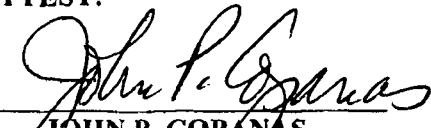
\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.


**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Vito J. Sciscioli  
Vice Chairman

ATTEST:

  
\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Mayor

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

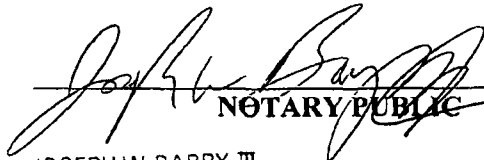
By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:   
\_\_\_\_\_  
Matthew J. Driscoll  
Chairman

STATE OF NEW YORK    )  
                                  ): SS.  
COUNTY OF ONONDAGA )

On the 24<sup>th</sup> day of March, in the year 2008, before me, the undersigned, personally appeared Matthew J. Driscoll, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

JOSEPH W. BARRY, III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526  
My Commission Expires 11/6/09

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the 3 day of March, in the year 2008, before me, the undersigned, personally appeared Vito J. Sciscioli, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5055591  
Commission Expires on Feb. 12, 2010



## **EXHIBIT A**

### **DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central ( the former Central Technical High School) located at 258 East Adams Street;
2. Blodgett Pre-K-8 School located at 312 Oswego Street;
3. Shea Middle School located at 1607 South Geddes Street;
4. Dr. Weeks Elementary located at 710 Hawley Avenue;
5. Clary Middle School located at Amidon Drive;
6. Fowler High School located at 227 Magnolia Street; and
7. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.

## EXHIBIT B

### NOTICE OF TERMINATION OF LICENSE

The undersigned, **CITY OF SYRACUSE (“City”) and CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (“SCSD”)** (the City and the SCSD together the “*Licensor*”), as Licensor, and the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly organized and existing under the laws of the State of New York (the “*Licensee*”), having its principal office at 233 East Washington Street, Syracuse, New York, 13202 as Licensee, entered into a certain License Agreement (Series 2008 Project) dated as of March 1, 2008 (the “*License Agreement*”).

Capitalized terms used in this Notice shall have the meaning given to them in the License Agreement.

Such License Agreement covers the real property (the “*Premises*”), including any buildings, structures or improvements now or hereafter affixed or attached thereto, as more particularly described in Exhibit “A” attached hereto and made a part hereof.

The Licensee and Licensor hereby acknowledge that the term of the License Agreement and the Licensee’s interest in the Premises terminated effective as of \_\_\_\_\_.

**IN WITNESS WHEREOF**, the Licensor and the Licensee have caused this Notice to be executed in their respective names as of \_\_\_\_\_.

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, its duly authorized agent

By: \_\_\_\_\_  
Name:  
Title:

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF ONONDAGA)

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF ONONDAGA)

On the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

## EXHIBIT C

### BILL OF SALE TO CITY AND SCSD

**THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having its office at 233 East Washington Street, Syracuse, New York 13202 (the "**Grantor**"), for the consideration of one Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from the **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "**City**"), having its principal office at City Hall, Syracuse, New York 13202 and the **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("**SCSD**"), having its principal office at 725 Harrison Street, Syracuse, New York 13210 (the City and the SCSD are referred to collectively as the "**Grantee**"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, all those materials, machinery, equipment fixtures or furnishings which are described in Exhibit "A" attached hereto and by this reference made a part hereof, including any additions thereto, now owned or hereafter acquired by the Grantor with proceeds of the sale of the Series 2008A Bonds (as defined in the Installment Sale Agreement (Series 2008 Project) dated as of March 1, 2008 (the "**Installment Sale Agreement**") by and among the Grantor, the Syracuse Joint Schools Construction Board and the Grantee) or any payment made by the Grantee pursuant to Section 4.6 of this Installment Sale Agreement, and such additions thereto and substitutions therefor as may be made from time to time.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF ANY OF THE EQUIPMENT DESCRIBED ABOVE. THE GRANTEE ACCEPTS TITLE TO SUCH EQUIPMENT "AS IS," WITHOUT RECOURSE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. IN THE EVENT OF A DEFICIENCY OR DEFAULT OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by its duly authorized officer on the date indicated beneath the signature of such officer and dated as of the \_\_\_\_\_ day of March, 2008.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "A"**  
**TO BILL OF SALE TO CITY**

**DESCRIPTION OF THE EQUIPMENT**

All articles of personal property and all appurtenances acquired or refinanced with the proceeds of the Series 2008A Bonds, and now or hereafter attached to, contained in or used in connection with the Facilities or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, computers, furniture, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

## SCHEDULE A

### INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to the Series 2008A Bonds, respectively.

| Payment Date<br>Due May 1 | Principal              | Interest Rate | Interest*              | Total Installment<br>Purchase Payments |
|---------------------------|------------------------|---------------|------------------------|--|
| 2009                      | \$ 940,000.00          | 4.000%        | \$ 2,524,722.05        | \$3,464,722.05                         |
| 2010                      | 1,125,000.00           | 3.000%        | 2,263,412.52           | 3,388,412.52                           |
| 2011                      | 1,860,000.00           | 4.000%        | 2,229,662.52           | 4,089,662.52                           |
| 2012                      | 1,940,000.00           | 3.000%        | 2,155,262.52           | 4,095,262.52                           |
| 2013                      | 1,995,000.00           | 4.500%        | 2,097,062.52           | 4,092,062.52                           |
| 2014                      | 2,090,000.00           | 5.000%        | 2,007,287.52           | 4,097,287.52                           |
| 2015                      | 2,195,000.00           | 5.000%        | 1,902,787.52           | 4,097,787.52                           |
| 2016                      | 2,305,000.00           | 5.000%        | 1,793,037.52           | 4,098,037.52                           |
| 2017                      | 2,415,000.00           | 5.000%        | 1,677,787.52           | 4,092,787.52                           |
| 2018                      | 2,535,000.00           | 5.250%        | 1,557,037.52           | 4,092,037.52                           |
| 2019                      | 2,670,000.00           | 4.750%        | 1,423,950.02           | 4,093,950.02                           |
| 2020                      | 2,800,000.00           | 4.000%        | 1,297,125.02           | 4,097,125.02                           |
| 2021                      | 2,905,000.00           | 5.000%        | 1,185,125.02           | 4,090,125.02                           |
| 2022                      | 3,060,000.00           | 5.000%        | 1,039,875.02           | 4,099,875.02                           |
| 2023                      | 3,205,000.00           | 4.375%        | 886,875.02             | 4,091,875.02                           |
| 2024                      | 3,350,000.00           | 5.000%        | 746,656.26             | 4,096,656.26                           |
| 2025                      | 3,515,000.00           | 5.000%        | 579,156.26             | 4,094,156.26                           |
| 2026                      | 2,735,000.00           | 4.625%        | 403,406.26             | 3,138,406.26                           |
| 2027                      | 2,855,000.00           | 5.000%        | 276,912.50             | 3,131,912.50                           |
| 2028                      | 1,700,000.00           | 5.000%        | 134,162.50             | 1,834,162.50                           |
| 2029                      | 505,000.00             | 4.750%        | 49,162.50              | 554,162.50                             |
| 2030                      | <u>530,000.00</u>      | 4.750%        | <u>25,175.00</u>       | <u>555,175.00</u>                      |
| <b>TOTAL</b>              | <b>\$49,230,000.00</b> |               | <b>\$28,255,641.11</b> | <b>\$77,485,641.11</b>                 |

\* Subject to adjustment with respect to the Series 2008A Bonds paid by the Series 2008A Bond Insurer as provided in Section 2.10(e) of the Indenture.



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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

and

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

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**AMENDMENT NO. 5 TO  
INSTALLMENT SALE AGREEMENT  
(SERIES 2018A PROJECT)**

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Dated as of March 1, 2018

**\$67,265,000**  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project), Series 2018A**

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**AMENDMENT NO. 5 TO  
INSTALLMENT SALE AGREEMENT (SERIES 2018A PROJECT)**

**THIS AMENDMENT NO. 5 TO INSTALLMENT SALE AGREEMENT (SERIES 2018A PROJECT)**, made and entered into as of March 1, 2018 (the "*Fifth Amended Agreement*"), and being effective as of March 1, 2018 (the "*Effective Date*") by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202, **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at 725 Harrison Street, Syracuse, New York 13210, and **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**, established pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State of New York and an intermunicipal agreement dated as of April 1, 2004, between the City and SCSD ("*JSCB*"), having its principal office at City Hall, Syracuse, New York 13202, amending a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, between the Agency, the City, the SCSD and the JSCB (the "*Original Agreement*") as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "*First Amended Agreement*"); by Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "*Second Amended Agreement*"); by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "*Third Amended Agreement*") and by Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "*Fourth Amended Agreement*" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, collectively, the "*Installment Sale Agreement*" or "*Agreement*") each by and among the Agency, the City, the SCSD and the JSCB (capitalized terms used but not defined in the recitals hereof shall have the meanings assigned to such terms in the Installment Sale Agreement):

**WITNESSETH**

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial purposes and which may include or mean an industrial

pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of the City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State determined that many of the existing school buildings of SCSD were or are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State, as amended from time to time (the "*Syracuse Schools Act*"), the City and the SCSD entered into an intermunicipal agreement dated as of April 1, 2004, pursuant to the General Municipal Law of the State and the charter of the City, and have established the JSCB to act as the agency of the City, the SCSD or both to enter into contracts with respect to a project as defined in and undertaken pursuant to the Syracuse Schools Act (as so defined, a "*Project*"); and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations with the Syracuse Joint Schools Construction Board (the "*JSCB*"), acting on behalf of the SCSD and the City, for projects to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD's public schools (the "*Program*"), to induce the Agency to finance the design, reconstruction, rehabilitation and/or construction of certain existing public schools and additions thereto; and the acquisition and installation of certain equipment, fixtures and furnishing necessary and attendant thereto (collectively, the "*Facilities*"), at the sites listed, in part, on Exhibit A attached hereto and made a part hereof; and

**WHEREAS**, pursuant to the Syracuse Schools Act and other applicable legislation, new, renovated or reconstructed educational facilities of the City or the SCSD have been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, the JSCB, exercising its properly authorized powers conferred upon it for such purposes by the Charter of the City selected Turner Construction Company, a New York Corporation, duly authorized to conduct business in New York State as a foreign corporation, as its Program Manager to implement one or more Projects as part of the comprehensive redevelopment of the City's public schools and each of the Program Manager and the JSCB (acting for itself and as agent for the SCSD and the City) have entered into the Program Manager Agreement dated as of August 28, 2015, relative to the completion of the

Series 2018A Project; and

**WHEREAS**, the Syracuse Schools Act authorized the first phase ("**Phase I**") of the Program for public school buildings of the SCSD, at a cost not to exceed \$225 million. Phase I of the Program consisted of design and/or reconstruction and rehabilitation of various existing school buildings and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD. Phase I was financed by the Issuer through several issues of its bonds in 2008, 2010, 2011 and 2017; and

**WHEREAS**, legislation authorizing phase two ("**Phase II**") of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013 and includes several schools including, but not limited to the Facilities. The JSCB anticipates additional tranches of Phase II projects which will cover all of the Phase II schools; and

**WHEREAS**, the JSCB requested the Agency issue its revenue bonds from time to time in one or more Series through multiple indentures of trust to effect the financing of one or more Projects under the Program; and

**WHEREAS**, on March 26, 2008, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$49,230,000 (the "**Series 2008A Bonds**") pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on March 4, 2008, as amended by a resolution adopted by the Agency on March 10, 2008, and an Indenture of Trust (Series 2008 Project), dated as of March 1, 2008 (as the same may be amended or supplemented, the "**Series 2008 Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee under the Series 2008 Indenture (the "**Series 2008 Trustee**") in order to finance a portion of the costs of the Facilities in furtherance of the Program (as defined herein) and for incidental and related costs associated with the issuance of the Series 2008A Bonds; and

**WHEREAS**, on December 23, 2010, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project), Series 2010 in the aggregate principal amount of \$31,470,000 (the "**Series 2010 Bonds**") pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on October 26, 2010, and a certain Indenture of Trust (Series 2010 Project), dated as of December 1, 2010 (the "**Series 2010 Indenture**") by and between the Agency and Manufacturers and Traders Trust Company, as trustee with respect to the Series 2010 Bonds (the "**Series 2010 Trustee**") in order to finance a portion of the costs of certain Facilities in furtherance of the Program and for incidental and related costs and to provide the funds to pay the costs and expenses of the issuance of the Series 2010 Bonds, the Agency issued; and

**WHEREAS**, on July 12, 2011, the Agency issued its School Facility Revenue Bonds (Syracuse City School District Project) Series 2011 in the aggregate principal amount not to exceed \$60,000,000 (the "**Series 2011 Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on June 21, 2011, and a certain First Supplemental Indenture (Series 2011 Project), dated as of July 1, 2011 (the "**First Supplemental Indenture**") in order to finance a portion of the costs of the Facilities in

furtherance of the Program and for incidental and related costs and to provide the funds to pay the costs and expenses of the issuance of the Series 2010 Bonds; and

**WHEREAS**, on April 20, 2017, the Agency issued its School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2017 in the aggregate principal amount of \$29,260,000 (the "**Series 2017 Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the Agency adopted on January 24, 2017 and a certain Indenture of Trust (Series 2017 Project), dated as of April 1, 2017 (the "**Series 2017 Indenture**") by and between the Agency and Manufacturers and Traders Trust Company, as trustee with respect to the Series 2017 Bonds (the "**Series 2017 Trustee**") in order to refinance the costs of the Series 2008 Project and to provide the funds to pay the costs and expenses of the issuance of the Series 2017 Bonds and the refunding of the Series 2008A Bonds; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Series 2018A Project will assist the SCSD in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, in order to finance the costs of the Series 2018A Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2018A Bonds (as defined herein), the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency adopted on January 16, 2018, and an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (as the same may be amended or supplemented, the "**Series 2018A Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**2018 Trustee**"); and

**WHEREAS**, the City currently has \$29,800,000 outstanding principal amount of bond anticipation notes which were issued in part to finance a portion of the Series 2018A Project (the "**BAN**"). \$14,800,000 of the BAN will mature on March 15, 2018 (the "**Matured BAN**"). On the Closing Date, \$7,417,430 of the proceeds of the Series 2018A Bonds will be used to redeem a portion of the Matured BAN; and

**WHEREAS**, the City and the SCSD leased the Facilities to the Agency pursuant to a License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Agency, as licensee (the "**License Agreement**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017, (the "**Third Amendatory License Agreement**") as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**" and together with the License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Third Amendatory License Agreement, collectively, the "**License**"); and

**WHEREAS**, the Agency will sell its leasehold interest in the Facilities pursuant to this Fifth Amended Agreement to the SCSD; and

**WHEREAS**, it is contemplated that the Agency or other public entity will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, the SCSD, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the "**Depository Bank**"), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 ("**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**" and together with the Depository Agreement, collectively, the "**State Aid Depository Agreement**"), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to the debt service reserve fund established under the Indenture, if any, and the equivalent fund, if any, established under each other Series Indenture, and the balance to the General Fund (as defined in the State Aid Depository Agreement) (excluding the Series 2010 Indenture and this Indenture under which no Debt Service Reserve Fund has been established), and the balance to the General Fund; and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the SCSD shall fail to make a payment due under the Agreement or any other Series Facilities Agreement (as defined in the State Aid Trust Agreement), the Agency (or the related Series Trustee acting on its behalf) shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State in connection with or which are conditions precedent to the due authorization, execution and delivery of this Fifth Amended Agreement have happened, occurred and been taken by the Agency, the SCSD and the JSCB; and

**WHEREAS**, in order to finance the costs of the Series 2018A Project, the SCSD has requested that the Agency enter into this Fifth Amended Agreement;

**NOW, THEREFORE**, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or of the City, and neither the State of New York nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment

purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under the Agreement):

**Section 1.** Except as hereby expressly amended herein, the Original Agreement, as amended by the First Amended Agreement and the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect, and this Fifth Amended Agreement, and all of its terms, provisions and conditions shall be deemed to be a part of the Original Agreement, as amended by the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement.

**Section 2.** All terms not otherwise defined in this Fifth Amended Agreement shall have the same meanings as those terms are given in the Original Agreement, as amended by the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement.

**Section 3.** The following terms defined in Section 1.1 of the Original Agreement, are hereby added, amended or supplemented to read as follows:

Agreement or Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as previously amended by Amendment No. 1 to Installment Sale Agreement, dated as of July 1, 2009; Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010; Amendment No. 3 to the Installment Sale Agreement (Series 2011 Project), dated as of July 1, 2011, Amendment No. 4 to the Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017 and Amendment No. 5 to the Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, each between the Agency, the City, the SCSD and the JSCB, and which shall include any and all further amendments and supplements hereto hereafter made in conformity herewith and with the Applicable Indenture.

Amendment No. 1 to the Installment Sale Agreement or the First Amended Agreement shall mean Amendment No. 1 to the Agreement dated as of July 1, 2009 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 2 to the Installment Sale Agreement or the Second Amended Agreement shall mean Amendment No. 2 to the Agreement dated as of December 1, 2010 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 3 to the Installment Sale Agreement or the Third Amended Agreement shall mean Amendment No. 3 to the Agreement dated as of July 1, 2011 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 4 to the Installment Sale Agreement or the Fourth Amended Agreement shall mean this Amendment No. 4 to the Agreement dated as of April 1, 2017 among the Agency, the City, the SCSD and the JSCB.

Amendment No. 5 to the Installment Sale Agreement or the Fifth Amended Agreement shall mean this Amendment No. 5 to the Agreement dated as of March 1, 2018 among the Agency, the City, the SCSD and the JSCB.

Applicable Indenture shall mean, either the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any supplemental or series indenture of trust entered into by the Agency and a bond trustee with respect to the financing of costs authorized by the Syracuse Schools Act in connection with the Program.

Applicable Trustee shall mean, the Series 2010 Trustee, the Series 2017 Trustee, the Series 2018 Trustee and any future trustee named under a supplemental or Series Indenture, their respective successors in such capacity and their assigns appointed in the manner provided in the Applicable Indenture.

Bill of Sale to the Agency shall mean collectively the Bill of Sale (Series 2008 Project), dated as of March 1, 2008 as amended by the Amendatory Bill of Sale (Series 2010 Project), dated as of December 1, 2010, as further amended by the Second Amendatory Bill of Sale (Series 2011 Project), dated as of July 1, 2011, as further amended by the Third Amendatory Bill of Sale (Series 2018A Project), dated as of even date herewith and delivered on the Closing Date, each from the SCSD and the City to the Agency conveying an interest in all items of Equipment.

Bonds shall mean the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds and any Series of Additional Bonds issued under the any Applicable Indenture.

Environmental Compliance Agreement or Environmental Compliance and Indemnification Agreement shall mean collectively the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011 as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, each from the SCSD and the City for the benefit of the Agency, as amended or supplemented.

Facility or Facilities shall mean, as applicable, each existing school building owned by the City and/or the SCSD and described in the Description of Facilities in Exhibit A attached hereto or as attached to the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement or the Fourth Amended Agreement, as applicable, and made a part hereof or thereof, including the land upon which such school is located and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 3.1 hereof and the Construction Contracts), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto, together with all items of Equipment located and used therein from time to time; *provided, however*, that: (y) to the extent that only items of Equipment or fixtures located within an existing school building owned by the City and/or the



SCSD shall be financed in whole or in part from the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011A Bonds, the 2011B Bonds, the Series 2017 Bonds or the Series 2018A Bonds, then “Facility” shall mean only such items so financed and all replacements, repairs or additions thereto; and (z) to the extent that an item of property constituting a fixture located at an existing school building is financed in whole or in part from the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds, and such existing school building shall not otherwise itself be included within the Facilities subject to the License and this Fifth Amended Agreement, then such fixture shall be deemed property severable from the remainder of the existing school building and thereby subject to the License and to this Fifth Amended Agreement.

Fourth Amendatory License Agreement shall mean the Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Installment Purchase Payments shall mean those installment purchase payments payable by the SCSD pursuant to Section 4.1(a) hereof, which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Facilities Agreement Payment”.

Installment Purchase Payment Date shall mean: (i) in the case of the Series 2010 Bonds, April 1 of each year, commencing April 1, 2011, all as set forth in Schedule A to the Second Amended Agreement, subject however, to the second paragraph of Section 4.1(a) hereof; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”; (ii) in the case of the Series 2011 Bonds, April 1 of each year, commencing April 1, 2012, all as set forth in Schedule A to the Third Amended Agreement, subject however, to the second paragraph of Section 4.1(a) hereof; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”; (iii) in the case of the Series 2017 Bonds, April 1, of each year, commencing April 1, 2018, all as set forth in Schedule A to the Fourth Amended Agreement; and (iv) in the case of the Series 2018A Bonds, April 1, of each year, commencing April 1, 2018, all as set forth in Schedule A to the Fifth Amended Agreement; subject however, to the second paragraph of Section 4.1(a) of the Installment Sale Agreement; which term, for purposes of the State Aid Depository Agreement, shall constitute a “Base Installment Purchase Payment Date”.

License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by the Amendatory License Agreement dated as of December 1, 2010, the Second Amendatory License Agreement dated as of July 1, 2011, the Third Amendatory License Agreement dated as of April 1, 2017, the Fourth Amendatory License Agreement dated as of March 1, 2018, each between the City and the SCSD, as licensor, and the Agency, as licensee, with respect to the Facilities.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed on record

which are being contested in good faith and have not proceeded to judgment;

(ii) the liens of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby any of the affected Facility or the interest of the City or the SCSD therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to any Facility which do not in the aggregate materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(v) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vi) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of a Facility which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vii) any obligations or duties affecting any portion of a Facility of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(viii) present or future valid zoning laws or ordinances;

(ix) this Fifth Amended Agreement, the Indenture and the License;

(x) the liens of any Series License, Series Facilities Agreement or Series Indenture; and

(xi) any other lien which, in the opinion of counsel to the City delivered and addressed to the Agency and the Trustee, will not have a material adverse effect upon the obligations of the School Parties under this Fifth Amended Agreement.

Program Manager means with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2017 Project, the Gilbane Building Company, a Rhode Island corporation; and with respect to the Series 2018A Project, Turner Construction Company, a New York corporation.

Program Manager Agreement shall mean: (i) the Program Manager Agreement, dated December 5, 2007, as amended from time to time, between the JSCB, on its own behalf and as agent for the City and SCSD, and Gilbane Building Company as the Program Manager,

pursuant to which the Program Manager has undertaken to manage the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2017 Project, as the same may be amended and supplemented from time to time in accordance therewith; and (ii) the Program Manager Agreement, dated August 28, 2015, between the JSCB, on its own behalf and as agent for the City and SCSD, and Turner Construction Company as the Program Manager, pursuant to which the Program Manager has undertaken to manage the Series 2018A Project, as the same may be amended and supplemented from time to time in accordance therewith.

Second Amendatory License Agreement shall mean the Second Amendatory License Agreement (Series 2011 Project), dated as of July 1, 2011 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Second Supplemental Environmental Compliance and Indemnification Agreement shall mean the Second Supplemental Environmental Compliance and Indemnification Agreement, dated July 1, 2011 from the SCSD and the City to and for the benefit of the Agency, as amended or supplemented.

Series 2018A Indenture shall mean the Indenture (Series 2018A Project), dated as of March 1, 2018, between the Agency and the Series 2018 Trustee, as may be further amended or supplemented from time to time in accordance with Article XI thereof.

Series 2018A Project shall mean (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping.

Third Amendatory Bill of Sale shall mean a the Third Amendatory Bill of Sale, dated as of March 1, 2018, from the SCSD and the City to the Agency conveying an interest in all items of Equipment with respect to the Series 2018A Project.

Third Amendatory License Agreement shall mean the Third Amendatory License Agreement (Series 2017 Project), dated as of April 1, 2017 between the City and the SCSD, as licensor and the Agency, as licensee, as the same may be further amended or supplemented.

Third Supplemental Environmental Compliance and Indemnification Agreement shall mean the Third Supplemental Environmental Compliance and Indemnification Agreement, dated March 1, 2018 from the SCSD and the City to and for the benefit of the Agency, as amended or supplemented.

**Section 4.** The following sections of Article II of the Original Agreement are amended to read as follows:

Section 2.2 of the Original Agreement is hereby amended to read as follows:

Agreement Term. The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds shall cease to be Outstanding and the lien of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Agency hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Agency makes no representations whatsoever in connection with the condition of any of the Facilities, and the Agency shall not be liable for any defects therein.

Section 2.3(a) of the Original Agreement is hereby amended in its entirety to read as follows:

The Agency's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Agency to the SCSD and the City upon the later date of completion or abandonment of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, as evidenced by the certificate of the JSCB delivered pursuant to Section 3.1(j) hereof.

**Section 5.** The following sections of Article III of the Original Agreement are amended to read as follows:

The title of Section 3.1 is amended to read " The Series 2008 Project; Series 2010 Project; Series 2011 Project; Series 2017 Project, the Series 2018A Project".

Section 3.1(b) of the Original Agreement is amended in its entirety to read as follows:

As promptly as practicable after receipt of the proceeds of sale of the: (w) Series 2008A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Series 2008 Indenture; (x) Series 2010 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2010 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2010 Bonds deposited in the Project Fund established under the Series 2010 Indenture; (y) Series 2011 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing

of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2011 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2011 Bonds deposited in the Project Fund established under the First Supplemental Indenture; (z) the Series 2017 Bonds, and out of said proceeds of sale, the JSCB will proceed to refinance the costs of the Series 2008 Project and effectuate the redemption in whole or part of the Agency's outstanding Series 2008A Bonds in the principal amount of \$34,780,000; and to pay permitted issuance costs, if any, costs of credit enhancement, if any, and fund a debt service reserve fund, if any, all with respect to the Series 2017 Bonds and pay the redemption costs of the Series 2008A Bonds; and (aa) Series 2018A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2018A Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2018A Bonds deposited in the Project Fund established under the Series 2018A Indenture. The JSCB reasonably believes that the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, pursuant to the applicable Plans and Specifications, will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control (as applicable) only excepted. The City and the SCSD agree that no delay in the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, with respect to each project, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the applicable Closing Date entered into one or more Construction Contracts for completion of the Central Tech Project, the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Agency shall expressly provide that the Agency shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Agency shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds. In the event that moneys in the applicable Accounts within the Project Fund are not sufficient to pay the costs necessary to complete the work with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or pay applicable Costs or Project Costs with respect to the Series 2018A Project in full, none of the School Parties shall be entitled to any reimbursement therefor from the Agency, the Series Trustee or the Holders of any of the Series 2008A Bonds, Series 2010 Bonds, Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds

(except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Base Installment Purchase Payments, Installment Purchase Payments or Additional Payments to be made under this Fifth Amended Agreement.

Sections 3.1(d) and 3.1(h) are amended to delete the word “and” as it appears between the phrase “Series 2010 Project” and “Series 2011 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2011 Project” as it appears in each paragraph.

Section 3.1(e) of the Original Agreement is amended in its entirety to read as follows:

(e) As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay: (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Agency pursuant to the License, the Bill of Sale to Agency, the delivery of any instruments and documents and their filing and recording, if required; (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer; and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds; all expenses or claims incurred in connection with the Series 2010 Project and not funded from the proceeds of sale of the Series 2010 Bonds; all expenses or claims incurred in connection with the Series 2011 Project and not funded from the proceeds of sale of the Series 2011 Bonds; all expenses or claims incurred in connection with the Series 2017 Project and not funded from the proceeds of the sale of the Series 2017 Bonds; and all expenses or claims incurred in connection with the Series 2018A Project and not funded from the proceeds of sale of the Series 2018A Bonds (or any other Series of Additional Bonds).

Section 3.1(f) of the Original Agreement is amended by deleting the word “and” as it appears between the phrase “Series 2011 Project” and “Series 2017 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2017 Project” as it appears in the paragraph.

Section 3.1(g) of the Original Agreement is amended by inserting the phrase “the Series 2018A Project” after the phrase “Series 2017 Project” as it appears in the paragraph.

Section 3.1(j) of the Original Agreement is amended in its entirety to read as follows:

“(j) Upon the completion or abandonment by the JSCB of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or any portions thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Agency and the Applicable Trustee to such effect.”

The title of Section 3.2 is amended to delete the phrase “and the Refunded Proceeds Fund” from the title such that it reads: “The Project Fund”.

Section 3.2(a) of the Original Agreement is amended in its entirety to read as follows:

Project Fund. (a) The Agency has in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture respectively, authorized and directed the Applicable Trustee to make payments from the Project Fund, and the applicable Accounts within the Project Fund, from time to time to pay Project Costs, including but not limited to, the cost of the acquisition, construction, renovation, reconstruction, improvement, equipping and furnishing of a Facility upon receipt of a requisition signed by an Authorized Representative of the JSCB, in the form set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable.

Section 3.2(b) of the Original Agreement is amended in its entirety to read as follows:

(b) The date of completion of the work for a Facility shall be evidenced to the Agency and the Applicable Trustee by a certificate of an Authorized Representative of the SCSD stating, except for any costs not then due and payable or the liability for payment of which is being contested or disputed in good faith by the JSCB (i) the date of completion of such work; (ii) that the related Facility has been completed substantially in accordance with the Plans and Specifications and all labor, services, machinery, equipment, furnishings, materials and supplies used therefor have been paid for; (iii) that all other facilities necessary in connection with such Facility have been completed and all costs and expenses incurred in connection therewith have been paid; (iv) that all property of such Facility is subject to the Agreement; (v) that, in accordance with all applicable laws, regulations, ordinances and guidelines, such Facility has been made ready for occupancy, use and operation for its intended purposes; (vi) the amount, if any, required in his opinion for the payment of any remaining part of the costs with respect to such Facility; and (vii) the amount of the proceeds of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, including the investment earnings thereon, expended with respect to such Facility. Such certificate shall be accompanied by a certificate executed by an Authorized Representative of the City certifying as to the determination of the Rebate Amount as provided in the Tax Compliance Documents and the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Agency, the Applicable Trustee or the School Parties against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.2 of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, and (z) that no Person other than the Agency and the Applicable Trustee may benefit therefrom. Such certificate of the Authorized Representative of the JSCB shall be accompanied by (i) a temporary or permanent certificate of occupancy and any and all permissions, approvals, licenses or consents required of governmental authorities for the occupancy, operation and use of the completed Facility for the purposes contemplated by this Agreement and the Syracuse Schools Act; (ii) a certificate of an Authorized

Representative of the JSCB that all costs of the completed Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialsmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with such Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute in excess of \$100,000, evidence to the Applicable Trustee that such costs have been appropriately bonded or that the JSCB shall have posted a surety or security at least equal to the amount of such costs); and (iii) such additional documentation, if any, as required by the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable. Upon the determination by the JSCB that the amount on deposit in an Account of the Project Fund shall be sufficient to pay all remaining Project Costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, as the case may be, for the purpose for which such Account was funded, the JSCB shall deliver to the Applicable Trustee a Project Sufficiency Certificate (as defined in the Applicable Indenture) of an Authorized Representative of the JSCB.

Section 3.2(c) is deleted in its entirety.

Section 3.3 of the Original Agreement is amended in its entirety to read as follows:

Cooperation in Furnishing Documents.

(a) The JSCB agrees to furnish to the Applicable Trustee any documents that are required to effect payments out of the Project Fund in accordance with Section 3.2 hereof. Such obligation is subject to any provisions of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively; and

Section 3.5 of the Original Agreement is amended in its entirety to read as follows:

Issuance of Bonds. Contemporaneously with the execution and delivery of this Fifth Amended Agreement, the Agency will sell and deliver the Series 2018A Bonds in the aggregate principal amount of \$67,265,000, under and pursuant to a resolution adopted by the Agency on January 16, 2018, authorizing the issuance of the Series 2018A Bonds under and pursuant to the Series 2018A Indenture dated as of even date herewith, for the purpose of financing Project Costs of the Series 2018A Project. After the Closing Date, it is contemplated that Additional Bonds may be issued to finance other Projects and other phases of the Program, if any, and for the other purposes set forth in Section 2.7 of the Series 2010 Indenture, as amended and supplemented by the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture. It is contemplated that, thereafter, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities



pursuant to Phases II through IV of the Program. That portion of the proceeds of sale of the Series 2018A Bonds deposited in the Series 2018 Bond Account of the Project Fund shall be applied to the payment of Project Costs with respect to the Series 2018A Project in accordance with the provisions of the Series 2018A Indenture.

Section 3.7 of the Original Agreement is amended in its entirety to read as follows:

Expenses Chargeable to the JSCB. As between the Agency one hand and the School Parties on the other hand, the School Parties shall pay all expenses or other costs incurred in connection with the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project including, but not limited to:

- (i) all charges incurred in connection with the preparation, delivery, filing, recording (if required) or effectuation of any instruments of conveyance or transfer required by this Fifth Amended Agreement, the License, the Bill of Sale, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document;
- (ii) any closing costs or costs relating to issuance of a Series of Bonds other than those costs referenced in paragraph (i) above;
- (iii) all lawful claims which might or could if unpaid become a lien or charge on any of the Facilities;
- (iv) all pre-closing and post-closing taxes, assessments or other governmental or utility charges or impositions relating to any of the Facilities;
- (v) the Agency's administrative fee;
- (vi) any legal fees or expenses incurred by the Agency or the Applicable Trustee in connection with the foregoing items of costs related to the issuance of a Series of Bonds;
- (vii) the State bond issuance charge, if any; and
- (viii) any other costs incurred by the Agency in carrying out the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project.

Section 3.8 of the Original Agreement is amended in its entirety to read as follows:

Additional Facilities. The Agency and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or a related Series Indenture, a Series of Additional Bonds or additional Series of Project Bonds may be

issued from time to time pursuant to separate Series Indentures to finance the costs of the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of Facilities and/or Additional Facilities.

Section 3.9 of the Original Agreement is amended in its entirety to read as follows:

Use of Series 2008A Bond Proceeds, Series 2010 Bond Proceeds, Series 2011 Bond Proceeds, Series 2017 Bond Proceeds and the Series 2018A Bond Proceeds. The SCSD shall use, or permit or suffer to be used, the proceeds of the Series 2008A Bonds, the proceeds of the Series 2010 Bonds, the proceeds of the Series 2011 Bonds, the proceeds of the Series 2017 Bonds, the proceeds of the Series 2018A Bonds only for the respective purposes and costs permitted therefor under this Fifth Amended Agreement, the Series 2008 Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture, respectively, and the Tax Compliance Certificate, each as may be amended and or supplemented from time to time.

Section 3.10 of the Original Agreement is amended in its entirety to read as follows:

No Warranty of Condition or Suitability. THE AGENCY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE SCHOOL PARTIES OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF (w) THE SERIES 2008A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2008 PROJECT AND COMPLETE THE SERIES 2008 PROJECT; (x) THE SERIES 2010 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2010 PROJECT AND COMPLETE THE SERIES 2010 PROJECT; OR (y) THE SERIES 2011 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2011 PROJECT AND COMPLETE THE SERIES 2011 PROJECT; (z) THE SERIES 2017 BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2017 PROJECT AND COMPLETE THE SERIES 2017 PROJECT; OR (AA) THE SERIES 2018A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2018A PROJECT AND COMPLETE THE SERIES 2018A PROJECT. EACH SCHOOL PARTY IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE A SCHOOL PARTY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF ANY OF THE FACILITIES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF

USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED."

**Section 6.** Schedule A attached to the Original Agreement is hereby deleted in its entirety and replaced with the Schedule A attached to this Fifth Amended Agreement reflecting Installment Purchase Payments for the Bonds.

**Section 7.** The following sections of Article IV of the Original Agreement are amended to read as follows:

Section 4.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

Payment of Installment Purchase Payments.

(a) Subject to Section 4.4 hereof, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments, with respect to the Series 2008A Bonds, as originally reflected on Schedule A to the Original Agreement, and the Installment Purchase Payments, with respect to the Series 2010 Bonds as originally reflected on Schedule A of the Second Amended Agreement; Installment Purchase Payments with respect to the Series 2011 Bonds in the amounts as set forth in Schedule A attached to the Third Amended Agreement; Installment Purchase Payments with respect to the Series 2017 Bonds in the amounts set forth on Schedule A attached to the Fourth Amended Agreement; or Installment Purchase Payments with respect to the Series 2018A Bonds in the amounts set forth on Schedule A attached hereto. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, as applicable; *provided, however*, that there shall be credited against any Base Installment Purchase Payments and Installment Purchase Payments any amounts available for such purposes and on deposit in the applicable Bond Fund, including any amounts deposited to a Bond Fund pursuant to Section 5.4 of each Series Indenture and any amounts deposited to a Bond Fund pursuant to Section 4.1(a) of each Series Indenture.

Notwithstanding the foregoing and schedule of Base Installment Purchase Payments and Installment Purchase Payments, in the event the SCSD shall have failed to appropriate by November 1, commencing November 1, 2018, that amount of State Aid to Education required to make (less any amount on deposit in a Bond Fund on such November 1 and available on such date), and for the stated purpose of making, the Base Installment Purchase Payment and/or the Installment Purchase Payment due on the immediately succeeding April 1 (as set forth in Schedule A hereto), then: (y) the SCSD shall promptly deliver written notice of such failure to the Agency and each Applicable Trustee, and (z) that Base Installment Purchase Payment and/or Installment Purchase Payment next due on such immediately succeeding April 1 (less any amount on deposit in the applicable Bond Fund on such November 1 and available on such date) shall instead be due on the November 15 immediately following such November 1 as if that November 15 were the originally scheduled Base Installment Purchase Payment Date and/or Installment Purchase Payment Date. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the SCSD, as provided in the State Aid

Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, respectively; provided, however, that there shall be credited against any Base Installment Purchase Payment and Installment Purchase Payment, as applicable, any amounts available for such purpose and on deposit in each Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of each Applicable Indenture, and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of each Applicable Indenture.

(b) The SCSD shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, with respect to the Series 2008A Bonds, and the applicable Installment Purchase Payments, with respect to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, together with interest accrued and to accrue and premium, if any, to be paid on the applicable Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Applicable Indenture as may be specified in writing by an Authorized Representative of the SCSD at the time of making such prepayment. Upon any such prepayment, the Applicable Trustee shall, if necessary, and as applicable, recalculate the schedule of Base Installment Purchase Payments or Installment Purchase Payments, as applicable as set forth in the applicable Schedule A with respect to the applicable Series of Bonds, in accordance with the Applicable Indenture and deliver a revised schedule to the SCSD and the Agency, and such revised schedule shall be deemed to replace the then-existing applicable **Schedule A**.

Section 4.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

**Direction as to Payment of Base Installment Purchase Payments and Installment Purchase Payments.** Installment Purchase Payments shall be paid to the Series 2010 Trustee for credit to the Applicable Bond Fund under the Series 2010 Indenture and the First Supplemental Indenture; to the Series 2017 Trustee for credit to the Applicable Bond Fund under the Series 2017 Indenture and to the Series 2018 Trustee for credit to the Applicable Bond Fund under the Series 2018A Indenture.

Section 4.3(a) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

**Indemnification of the Agency and Applicable Trustee and Limitation on Liability.** (a) The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Agency, the Applicable Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the "***Indemnified Parties***") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way

connected with (i) the financing of the costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) this Fifth Amended Agreement, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of this Fifth Amended Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of the any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party, or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

Section 4.8 of the Original Agreement is hereby amended to add the phrase “and the Installment Purchase Payments” after the term “Base Installment Purchase Payments”.

Section 4.8 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

Compensation and Expenses of Applicable Trustee, Depository Bank, Bond Registrar, Paying Agents and Agency. The City and the SCSD shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following annual fees, charges and expenses and other amounts: (1) the initial and annual fees of the Applicable Trustee for the ordinary services of the Applicable Trustee rendered and its ordinary expenses incurred under the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture, respectively, including the fees and expenses of any accountant or other agent engaged by the Applicable Trustee for performing such services, and the fees and expenses as Bond Registrar, and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable, (2) the reasonable fees and charges of the Applicable Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, including the reasonable fees of its counsel, (3) the reasonable fees, charges, and expenses of the Applicable Trustee for extraordinary services rendered by it under the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, including reasonable counsel fees, (4) the initial and annual fees of the Depository Bank for the ordinary services of the Depository Bank rendered and its

ordinary expenses incurred under the State Aid Depository Agreement, and (5) the fees, costs and expenses of the Bond Registrar and the fees, costs and expenses (including legal, accounting and other administrative expenses) of the Agency. The City and the SCSD shall further pay the fees, costs and expenses of the Agency together with any reasonable fees and disbursements incurred by the Agency's bond counsel and general counsel in connection with (i) the Projects or this Fifth Amended Agreement, including fees and expenses incurred by the Agency after the occurrence and during the continuance of an Event of Default as provided in Section 8.1 of this Fifth Amended Agreement, (ii) the negotiation and execution of this Fifth Amended Agreement, the Series 2010 Indenture and the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, as applicable and other Project Documents; and (iii) any waiver, modification or amendment to this Fifth Amended Agreement, the Applicable Indenture or any other Project Document that may be requested by a School Party or any party thereto, and consented to by the City and the SCSD, or any action by the Agency requested by a School Party thereunder. The City and the SCSD shall further pay to the Agency on the date of issuance of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, the Series 2018A Bonds and on the date of issuance of any Additional Bonds, an amount equal to one-half of one percent (1/2 of 1%) of the principal amount of such Series of Project Bonds.

**Section 8.** The following sections of Article V of the Original Agreement are amended to read as follows:

Section 5.4 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"Section 5.4. Additional Rights of SCSD. The Agency agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of SCSD and, if not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall not become subject to this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof. "

Section 5.5(a) of the Original Agreement is amended by deleting the word "or" from between "Series 2011 Project" and "Series 2017 Project"; inserting a comma in its place and adding the term "or the Series 2018A Project" after the "Series 2017 Project" in that paragraph.

Section 5.5(a)(iii) is amended to add after the term "Series 2011 Project" the following, "the Series 2018A Project".

**Section 9.** Each of the City and the SCSD hereby represents and warrants as follows:

(a) The SCSD is a school district of the State, duly created and validly existing under the Constitution and laws of the State. The City is a municipal corporation of the State duly created and validly existing under the Constitution and laws of the State.

(b) The School Parties have the good right and lawful authority and power to execute and deliver this Fifth Amended Agreement and each other Project Document to which any of them is a party, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

(c) The City and the SCSD have duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which any School Party is a party and the performance of their respective obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of their respective approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

(d) This Fifth Amended Agreement and each other Project Document to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party constitutes a legal, valid and binding obligation of the City or the SCSD, as the case may be, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Fifth Amended Agreement and each other Project Document to which the City and/or the SCSD is a party or to which the JSCB is a party on behalf of the City, the SCSD or both, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of such Person a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the City, the SCSD or the JSCB, on behalf of the City, the SCSD or both, is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the City or the SCSD, as the case may be.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the SCSD and/or the City of its respective obligations hereunder or under any other Project Document to which the SCSD and/or the City or the JSCB, on behalf of the City, the SCSD or both, is a party or to which it is bound or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

(g) Neither the City nor the SCSD is in breach of or default under any agreement or other instrument to which it or the JSCB, on behalf of the City, the SCSD or both, is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

(h) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the City or the SCSD, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or to which it is bound or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

(i) Both the City and the SCSD by appropriate legislative or administrative action have determined that the Series 2018A Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City and the SCSD have further determined that the Series 2018A Project shall continue to be essential to such administration and to meet such needs throughout the term of this Fifth Amended Agreement.

(j) This Fifth Amended Agreement and the obligations of the SCSD hereunder do not and will not constitute indebtedness or moral obligation of the SCSD or the City under Article VIII of the State Constitution or Section 20.00 of the Local Finance Law of the State nor shall they constitute a contractual obligation in excess of the amounts appropriated therefor.

(k) The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2018A Project have been complied with.

(l) The SCSD covenants and agrees to operate each of the Facilities or cause each of the Facilities to be operated in accordance with: (i) this Fifth Amended Agreement; (ii) as a qualified Project in accordance with and as defined under the Syracuse Schools Act; and (iii) as a "project" in accordance with the IDA Act.

(m) Any costs of the Series 2018A Project paid from the proceeds of the sale of the Series 2018A Bonds shall be treated or capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2018A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License, the Bill of Sale to the Agency and to this Fifth Amended Agreement.

(n) All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the City and/or the SCSD



in connection with (y) the execution and delivery of this Fifth Amended Agreement and each other Project Document to which such Person shall be a party or to which it is bound, and (z) the granting of the interest in the Facilities by the SCSD and the City to the Agency pursuant to the License and the Bill of Sale to Agency, have been duly obtained.

(o) Pursuant to the License and Bill of Sale to Agency, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and valid ownership interest in the Equipment, all of which has been sold by the Agency to the SCSD pursuant to this Fifth Amended Agreement.

(p) The SCSD and the City have duly established the JSCB pursuant to the Syracuse Schools Act and the Intermunicipal Agreement. The Intermunicipal Agreement is in full force and effect and has not been amended, modified or rescinded. This Fifth Amended Agreement, the other Project Documents to which the JSCB, on behalf of the City, the SCSD or both, is a party and the acts, agreements and contracts of the JSCB, on behalf of the City, the SCSD or both, have been ratified and/or approved and duly authorized by the City and the SCSD, as the case may be, and constitute valid and binding obligations of the City and the SCSD, as the case may be.

(q) The City and the SCSD have and will have good and marketable title to the Facilities, subject only to Permitted Encumbrances.

**The JSCB makes the following representations and warranties:**

(a) The JSCB has been duly created and is validly existing under the Constitution and laws of the State.

(b) The JSCB, has the good right and lawful authority and power to execute and deliver this Fifth Amended Agreement and each other Project Document to which it is a party, on its own behalf or on behalf of the City, the SCSD or both, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

(c) The JSCB has duly authorized by all necessary actions the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it is a party and the performance of its obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of its approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

(d) This Fifth Amended Agreement and each other Project Document to which the JSCB is a party constitutes a legal, valid and binding obligation of the JSCB, enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Fifth Amended Agreement and each other Project Document to which the JSCB is a party, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect

conflict with, or constitute on the part of the JSCB a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the JSCB is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the JSCB.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the JSCB of its respective obligations under this Fifth Amended Agreement or under any other Project Document to which the JSCB is a party or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

(g) The JSCB is not in breach of or default under any agreement or other instrument to which it is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

(h) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the JSCB, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

(i) Any costs of the Series 2018A Project paid from the proceeds of the sale of the Series 2018A Bonds shall be capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2018A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License and to this Fifth Amended Agreement.

(j) All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the JSCB in connection with the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it shall be a party, have been duly obtained.

The Agency makes the following representations and warranties:

(a) The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Fifth

Amended Agreement and each other Project Document to which it is a party and to carry out its obligations hereunder and thereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Fifth Amended Agreement and each other Project Document to which it is a party.

(b) The Agency hereby determines that the financing of the Facilities through the issuance of the Bonds will further and advance the public purpose of the Agency under the IDA Act and the Syracuse Schools Act.

**Section 10.** The following sections of Article VII of the Original Agreement are amended to read as follows:

Section 7.14(b) of the Original Agreement is amended by deleting the word “and” as it appears between the phrase “Series 2010 Project” and “Series 2011 Project”; and is further amended by adding the phrase “and the Series 2018A Project” after the phrase “Series 2011 Project” as it appears in the paragraph.

Section 7.16 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

No-Default Certificates.

(a) Each School Party shall deliver to the Agency and the Applicable Trustee within one hundred and twenty (120) days after the close of each Fiscal Year, a certificate of an Authorized Representative thereof as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the School Party was in compliance with all the provisions which relate to it in the Agreement and this Fifth Amended Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an event of default thereunder or hereunder, and any action proposed to be taken by the SCSD, the City and/or the JSCB, as applicable, with respect thereto, and, until such time as the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project, as applicable, has been completed and a certificate evidencing the same pursuant to Section 3.2(b) of this Installment Sale Agreement has been delivered to the Agency and the Applicable Trustee, a certificate of an Authorized Representative of the JSCB that the insurance it maintains and/or is required to provide complies with the provisions of Section 5.5 of this Fifth Amended Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Applicable Trustee and are in full force and effect. In addition, upon twenty (20) days’ prior request by the Agency or the Applicable Trustee, each School Party will execute, acknowledge and deliver to the Agency and the Applicable Trustee a certificate of an Authorized Representative thereof either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(b) Each School Party shall immediately notify the Agency and the Applicable Trustee of the occurrence of any event of default or any event which with notice and/or lapse of time would constitute an event of default under any Project Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the appropriate School Party and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the notice shall state this fact.

**Section 11.** The following sections of Article VIII of the Original Agreement are amended to read as follows:

Section 8.1(f) of the Original Agreement is amended to read as follows:

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Agency, the Applicable Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions.

**Section 12.** The following sections of Article X of the Original Agreement are amended to read as follows:

Section 10.2. Successors and Assigns. This Agreement shall inure to the benefit of the School Parties, the Agency and the Applicable Trustee and their respective successors and assigns, and shall be binding upon the Agency and the School Parties, subject, however, to the provisions of Sections 7.7 and 7.8 hereof.

Section 10.4. Amendments, Changes and Modifications. Except as otherwise provided herein or in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively, subsequent to the issuance of Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, and prior to payment or provision for the payment of the Bonds in full, and payment or provision for the payment of all amounts due and payable to the Agency pursuant hereto or to any indemnity, this Fifth Amended Agreement may not be amended, changed, modified, altered or terminated except as provided in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture, respectively.

Section 10.12. Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Project Documents or other agreements executed concurrently herewith or with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011

Project, the Series 2017 Project or the Series 2018A Project), between the Agency and the School Parties relating to the Facilities.

**Section 13.** The Agency and the School Parties agree that this Fifth Amendment to Agreement or a memorandum hereof shall be recorded by the Agency (at the sole cost and expense of the SCSD) in the office of the Clerk of Onondaga County, New York.

**Section 14.** All references in the Original Agreement to "this Agreement" or words of similar import, and the terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in the Original Agreement, shall be deemed to refer to the Original Agreement, as amended by the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and this Fifth Amended Agreement.

**Section 15.** All references in sections of the Original Agreement, not otherwise amended hereby, to "the Trustee" or "the Indenture" or words of similar import, shall be deemed to refer to the Applicable Trustee and the Applicable Indenture within the Original Agreement, as amended hereby.

**Section 16.** Except as expressly amended by the First Amended Agreement, the Second Amendment Agreement, the Third Amended Agreement, the Fourth Amended Agreement and hereby, the Original Agreement is in all respects ratified and confirmed, and all of the terms, provisions and conditions thereof shall be and remain in full force and effect, and the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and this Fifth Amended Agreement and all of the respective terms, provisions and conditions thereof and hereof shall be deemed to be part of the Original Agreement.

**Section 17.** This Fifth Amended Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 18.** The date of this Fifth Amended Agreement shall be for reference purposes only and shall not be construed to imply that this Fifth Amended Agreement was executed on the date first above written. This Fifth Amended Agreement was delivered on March 15, 2018.

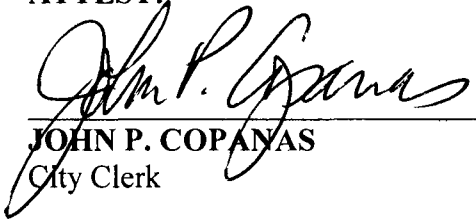
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IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

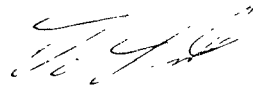
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_, Chairman

ATTEST:

  
JOHN P. COPANAS  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

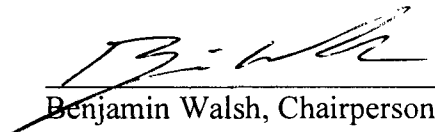
Acknowledged:

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

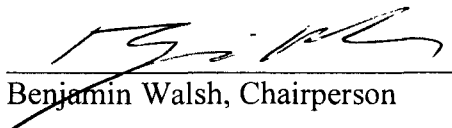
By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By:   
Benjamin Walsh, Chairperson

STATE OF NEW YORK )  
 ) : SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

---

NOTARY PUBLIC

STATE OF NEW YORK )  
 ) : SS.  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **DAVID J. DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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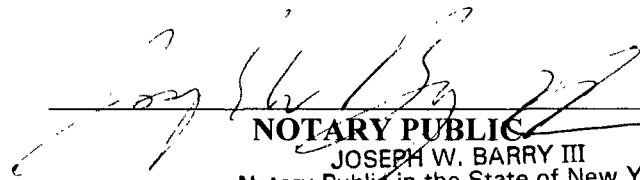
*David J. DelVecchio*  
NOTARY PUBLIC

DAVID S. ZEAFLA  
Notary Public, State of New York  
No. 017210213  
Qualified to Perform Notary Public Duties  
in Comm. exp. 12/31/2022

*2022*

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
JOSEPH W. BARRY III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526  
My Commission Expires 11/6/21

STATE OF NEW YORK )  
): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
**NOTARY PUBLIC**



**IN WITNESS WHEREOF**, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_,  
\_\_\_\_\_, Chairman

**ATTEST:**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**,  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of \_\_\_\_\_, in the year 2018, before me, the undersigned, personally appeared \_\_\_\_\_, **BENJAMIN WALSH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

---

NOTARY PUBLIC

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the 12<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared Suzanne Slack, **SUZANNE SLACK**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

LEISHA LEACH  
Notary Public, State of New York  
Qualified in Cayuga County  
No. 01LE6159390  
My Commission Expires January 16, 2019

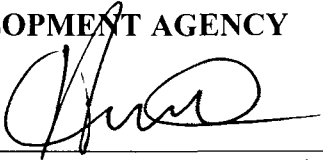


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NOTARY PUBLIC

IN WITNESS WHEREOF, the Agency, the City, the SCSD and the JSCB have caused this Fifth Amended Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written, all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By:   
\_\_\_\_\_  
Honora Spillane, Executive Director

**ATTEST:**

**CITY OF SYRACUSE**

\_\_\_\_\_  
**JOHN P. COPANAS**  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer


By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the 14<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
**NOTARY PUBLIC**

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5055591  
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of March, in the year 2018, before me, the undersigned, personally appeared **DAVID J. DELVECCHIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
**NOTARY PUBLIC**

## SCHEDULE A

### ANNUAL INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to each series of Project Bonds after giving effect to the issuance of the Series 2018A Bonds.

| Payment<br>Date<br><u>due April</u> <sup>(1)</sup> | Series 2010<br>Installment<br>Purchase<br>Payments | Series 2011<br>Installment<br>Purchase<br>Payments <sup>(2)(3)</sup> | Series 2017<br>Installment<br>Purchase<br>Payments | Series 2018A<br>Installment<br>Purchase<br>Payments <sup>(4)</sup> | Total<br>Installment<br>Purchase<br>Payments |
|--|--|--|--|--|--|
| 2018   | \$2,942,806.26                                     | \$4,572,750.00   | \$1,353,050.00                                     | \$ -   | \$ 8,868,606.26                              |
| 2019   | 2,948,306.26                                       | 4,568,500.00   | 3,293,450.00                                       | 1,627,681.25   | 12,437,937.51                                |
| 2020   | 2,933,756.26                                       | 4,567,000.00   | 4,037,450.00                                       | 6,268,112.50   | 17,806,318.76                                |
| 2021   | 2,938,831.26                                       | 4,572,625.00   | 4,012,850.00                                       | 6,269,612.50   | 17,793,918.76                                |
| 2022   | 2,948,240.63                                       | 4,570,000.00   | 4,023,275.00                                       | 6,267,987.50   | 17,809,503.13                                |
| 2023   | 2,943,425.00                                       | 4,547,288.50   | 4,016,775.00                                       | 6,267,862.50   | 17,775,351.00                                |
| 2024   | 2,928,825.00                                       | 4,422,362.00   | 4,012,525.00                                       | 6,268,737.50   | 17,632,449.50                                |
| 2025   | 2,926,050.00                                       | 4,231,082.00   | 4,005,150.00                                       | 6,270,112.50   | 17,432,394.50                                |
| 2026   | 2,923,637.50                                       | 4,039,498.88   | 3,073,025.00                                       | 6,266,612.50   | 16,302,773.88                                |
| 2027   | 2,921,250.00                                       | 3,876,827.88   | 3,057,150.00                                       | 6,267,737.50   | 16,122,965.38                                |
| 2028   | -  | 1,918,775.00   | 1,790,750.00                                       | 6,267,862.50   | 9,977,387.50                                 |
| 2029   | -  | -  | 541,050.00   | 6,266,487.50   | 6,807,537.50                                 |
| 2030   | -  | -  | 532,875.00   | 6,267,987.50   | 6,800,862.50                                 |
| 2031   | -  | -  | -  | 6,266,737.50   | 6,266,737.50                                 |
| 2032   | -  | -  | -  | 6,267,112.50   | 6,267,112.50                                 |
| 2033   | -  | -  | -  | 6,268,362.50   | 6,268,362.50                                 |
| 2034   | -  | -  | -  | 6,265,181.25   | 6,265,181.25                                 |
| <b>TOTAL</b>                                       | <b>\$29,355,128.17</b>                             | <b>\$45,886,709.26</b>   | <b>\$37,749,493.75</b>                             | <b>\$95,644,187.50</b>   | <b>\$208,635,399.93</b>                      |

<sup>(1)</sup> An amount equal to the total principal and interest due on Project Bonds each May 1 and November 1 is due in full on each preceding April 1 pursuant to the respective Installment Sale Agreement.

<sup>(2)</sup> Inclusive of Mandatory Sinking Fund Payments for the Series 2011B Bonds.

<sup>(3)</sup> Exclusive of the Federal Interest Subsidy.

<sup>(4)</sup> All of the interest due in fiscal year 2018-19 with respect to the Series 2018A Bonds Installment Purchase Payments totaling \$3,671,525.48 is not shown because it is capitalized.

**EXHIBIT "A"**

**DESCRIPTION OF FACILITIES**

1. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
2. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
3. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
4. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

**AND**

**CITY OF SYRACUSE**

**AND**

**MANUFACTURERS AND TRADERS TRUST COMPANY, as  
Depository Bank**

**STATE AID DEPOSITORY AGREEMENT**

**Dated as of March 1, 2008**

**TABLE OF CONTENTS**

Page

**ARTICLE I**

**DEFINITIONS AND INTERPRETATIONS**

Section 101. Definitions..... 2  
Section 102. Interpretations ..... 5  
Section 103. Parties Interested Herein ..... 5  
Section 104. Severability of Invalid Provisions..... 5

**ARTICLE II**

**ESTABLISHMENT AND OPERATION OF THE FUND**

Section 201. Establishment of State Aid Depository Fund..... 6  
Section 202. Operation of the Fund ..... 6  
Section 203. Procedure for Collection and Deposit of State Aid to Education ..... 8  
Section 204. Accounts, Reports and Certificates..... 9

**ARTICLE III**

**THE DEPOSITORY BANK**

Section 301. Appointment of Successor Depository Bank ..... 9  
Section 302. Moneys on Deposit with the Depository Bank in the Fund..... 9  
Section 303. Investment of State Aid Depository Fund ..... 9  
Section 304. Moneys held in Trust ..... 9  
Section 305. Responsibilities of the Depository Bank..... 9  
Section 306. Evidence on Which the Depository Bank May Act..... 10  
Section 307. Compensation and Expenses..... 10  
Section 308. Resignation of the Depository Bank ..... 10  
Section 309. Removal of Depository Bank..... 10  
Section 310. Regulations Regarding Investment of Fund ..... 10  
Section 311. Enforcement ..... 10  
Section 312. Execution ..... 11  
Section 313. Notices ..... 11



## STATE AID DEPOSITORY AGREEMENT

THIS STATE AID DEPOSITORY AGREEMENT, made as of March 1, 2008 (this "Agreement"), by and among CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the "School District"), CITY OF SYRACUSE (the "City") and MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank (the "Depository Bank") (capitalized terms used but not defined in the recitals to this Agreement shall have the meanings set forth in Section 101 hereof).

WHEREAS, the Legislature of the State of New York, pursuant to the Act, has enacted legislation authorizing the City of Syracuse Industrial Development Agency ("SIDA") to finance, license or lease school building sites of the City and the School District renovated, reconstructed or constructed pursuant to State law; and

WHEREAS, the City and the School District have entered into negotiations with officials of SIDA to finance various "projects" as defined in the Act and to assist in the rehabilitation and/or reconstruction, equipping and furnishing of existing public schools (collectively, the "Facilities") within the City in order to implement the comprehensive redevelopment of the City's public schools (the "Project"); and

WHEREAS, in order to finance a portion of the cost of the Project, SIDA intends to issue from time to time in various Series of its School Facility Revenue Bonds (Syracuse City School District Project), all pursuant to the Act, and other applicable legislation, and an indenture of trust for each such Series of Project Bonds, and to secure the Project Bonds with payments to be paid by the City and the School District to SIDA pursuant to a Series Facilities Agreement (as hereinafter defined) pursuant to which SIDA shall lease, sublease or sell its licensed interest in the Facilities to the City; and

WHEREAS, the City's and School District's obligation to make such payments to SIDA will be subject to annual appropriation by the City and the School District and will be payable solely from the State Aid to Education and/or other state aid and/or school aid payable to the City or the School District and intercepted by the Comptroller of the State of New York and paid to SIDA or the related Series Trustee (acting on behalf of SIDA) pursuant to the Act; and

WHEREAS, pursuant to the State Education Law (1) the disbursement of State Aid to Education is solely the prerogative and responsibility of the School District's Board of Education so long as such revenue is spent for the educational purposes appropriated and within the limits of the appropriation, (2) the School District's Board of Education shall make such classification of the funds and the disbursements thereof as the Commissioner of Finance of the City (the "Commissioner of Finance") shall require, and (3) the School District's Board of Education shall furnish such data in relation to such funds and their disbursements as the Commissioner of Finance shall require; and

WHEREAS, the Commissioner of Finance periodically authorizes the issuance of City revenue anticipation notes in anticipation of the receipt of State Aid to Education and the Commissioner of Finance is required by State law to provide for the set aside of State Aid to Education to provide for repayment of such notes; and

WHEREAS, the establishment and maintenance of a State Aid Depository Agreement into which the State Aid to Education are to be deposited for periodic disbursement in the respective amounts necessary for payment of debt service and other payments to be made by the City and the School District due under Series Facilities Agreements and City revenue anticipation notes issued in anticipation of State Aid to Education will facilitate the marketing and sale of the Project Bonds secured by such payments; and

WHEREAS, pursuant to instructions delivered to the New York State Comptroller dated March 12, 2008, the Commissioner of Finance and the President of the Board of Education of the School District have directed the New York State Comptroller's Office to forward all State Aid to Education to the State Aid Depository Fund as herein described;

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

(1) "Act" means the act of the Legislature of the State entitled: "The City of Syracuse and the Board of Education of the City School District of the City of Syracuse Cooperative School Reconstruction Act," constituting Chapter 58 Part A--4 of the Laws of 2006 of the State, as the same may be amended;

(2) "Agreement" means this State Aid Depository Agreement as the same may from time to time be amended or supplemented;

(3) "Aggregate" means, when used to qualify any other term in this Agreement, the aggregate, of the relevant term, with respect to all then existing Project Bonds, and then existing Series Facilities Agreements;

(4) "Base Facilities Agreement Payment" means, with respect to any Series Facilities Agreement, the Base Lease Payment, the Base Installment Purchase Payment or other like payment obligations as so defined in such Series Facility Agreement;

(5) "City" means the City of Syracuse;

(6) "Collection Percentage" means, with respect to each month of a Collection Period, the ratio, expressed as a percentage, of the amount of State Aid to Education expected to be received during such month of such Collection Period to the total amount of State Aid to Education expected to be received during such Collection Period;

(7) "Collection Period" means the four month period from and including December 1 of a Fiscal Year through and including March 31 of such Fiscal Year;

(8) “Collecting Officer” means the Superintendent of the School District and any other official empowered to demand, collect and receive State Aid to Education;

(9) “Commissioner of Finance” means the Commissioner of Finance of the City or such other officer of the City who may hereafter be designated chief fiscal officer of the City;

(10) “Debt Service Reserve Fund” means, with respect to a Series of Project Bonds, the Debt Service Reserve Fund established for such Series of Project Bonds under the related Series Indenture;

(11) “Depository Bank” means Manufacturers and Traders Trust Company or any trust company or bank having the powers of a trust company in the State, having reported capital and surplus of not less than \$100,000,000 and rated not lower than investment grade by any Rating Agency appointed by the School District in the manner set forth herein, and any successor trust company or bank having the powers of a trust company in the State which may be substituted in its place pursuant to the provisions hereof. The Depository Bank shall be the same financial institution as each Series Trustee;

(12) “Facilities Agreement Payment Date” means, with respect to any Series Facilities Agreement, the date the Net Base Installment Purchase Payments or other base payment obligations for principal and interest are due under such Series Facilities Agreement;

(13) “Facilities Payment Obligations” means, with respect to any Series Facilities Agreement, the Lease Payments, Installment Purchase Payments or other like payment obligations as so defined in such Series Facilities Agreement;

(14) “Fiscal Year” means the fiscal year of the City and the School District;

(15) “General Fund” means the bank account designated by the Commissioner of Finance in written instructions delivered to the Depository Bank on the date of issuance of the first Series of Project Bonds, as the same may be re-designated;

(16) “Investment Securities” means any investments that the City would be permitted to invest in under the provisions of Section 11 of the General Municipal Law of the State, as amended from time to time;

(17) “Net Base Facilities Agreement Payments” means, with respect to any Series Facilities Agreement, the Net Base Installment Purchase Payments, Net Base Lease Payments or other net base payment obligations for principal and interest on the related Project Bonds (net of (y) any Scheduled Debt Service Reserve Fund Earnings to the extent that any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received under the related Series Indenture to satisfy any deficiency in the Debt Service Reserve Fund established for such Project Bonds, and (z) any amounts available in the Bond Fund established under the Series Indenture for such Project Bonds);

(18) "Project Bonds" means bonds issued by SIDA or some other public entity pursuant to Series Indentures and the Act;

(19) "Qualified Debt Service Reserve Fund Investment Agreement" means, with respect to a Series of the Project Bonds, that investment agreement entered into by the Series Trustee with respect to the Debt Service Reserve Fund as such agreement is so defined in the related Series Facilities Agreement or Series Indenture;

(20) "Ratable Basis" means, ratably based on the ratio of the amount, at issue, owing to a Series Trustee to the Aggregate of such amounts, at issue, owing to all Series Trustees;

(21) "Rating Agency" means any nationally recognized credit rating agency then rating any Series of the Project Bonds;

(22) "Reserve Payment" means, with respect to any Series Facilities Agreement, the reserve payment obligation in respect of a deficiency in the amount on deposit in the Debt Service Reserve Fund established under a Series Indenture for a Series of Project Bonds or the amount owed any provider of a Reserve Fund Credit Facility in connection with a draw on such Reserve Account Credit Facility as provided in Section 4.1(b) of the Installment Sale Agreement.

(23) "Scheduled Debt Service Reserve Fund Earnings" means, with respect to any Base Facilities Agreement Payment, those earnings scheduled to be received under a Series Indenture from a Qualified Debt Service Reserve Fund Investment Agreement, based on the amount on deposit in the related Debt Service Reserve Fund and subject to the Qualified Debt Service Reserve Fund Investment Agreement as of the last Business Day of October immediately preceding the Facilities Agreement Payment Date for such Base Facilities Agreement Payment under the related Series Facilities Agreement, for the period commencing on such Facilities Agreement Payment Date through and including the next following October 23rd (or, if such October 23rd shall not be a Business Day, then on the next preceding Business Day) provided that such earnings are required by the related Series Indenture to be deposited into the Bond Fund under such Series Indenture after receipt by the Series Trustee under such Series Indenture of a Project Fund Sufficiency Certificate (as defined in such Series Indenture);

(24) "Series Facilities Agreement" means the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, by and among SIDA, the City, the School District and the Syracuse Joint Schools Construction Board and each other facilities lease agreement, facilities installment sale agreement or other facilities agreement, pursuant to which SIDA or some other public entity shall lease, sublease or sell its interest in facilities to the City and the School District in connection with the issuance of Project Bonds, as the same may be amended or supplemented;

(25) "Series Indenture" means the Indenture of Trust (Series 2008 Project) by and between SIDA and Manufacturers and Traders Trust Company, as Trustee, dated as of March 1, 2008 and each other indenture of trust or bond resolution pursuant to which a

series of Project Bonds shall be issued by SIDA or some other public entity to finance all or a portion of the Project, as the same may be amended or supplemented;

(26) "Series Trustee" means Manufacturers and Traders Trust Company, as Trustee under the Indenture of Trust (Series 2008 Bonds) and each financial institution acting as trustee under another Series Indenture, and its respective successors, if any, appointed pursuant to such Series Indenture;

(27) "SIDA" means the City of Syracuse Industrial Development Agency;

(28) "State" means the State of New York;

(29) "State Aid Depository Fund" or "Fund" means the fund so entitled which is established at the direction of the Commissioner of Finance and held by the Depository Bank and is described and provided for in this Agreement;

(30) "State Aid to Education" means the total amount of State building and operating aid annually appropriated by the New York State Legislature and paid to the School District or the City or any officer thereof, for the provision of public educational instruction in the City, together with earnings on the investment thereof while in the custody of the Depository Bank; and

(31) "Superintendent" means the Superintendent of the School District.

Section 102. Interpretations. (a) Words importing the masculine gender include every other gender. Words importing persons include firms, limited liability companies, partnerships, associations and corporations. Words importing the singular number include the plural, and vice-versa; (b) the terms "herein", "hereunder", "hereby", "hereof", "hereto", and other similar terms refer to this Agreement; and (c) the term "hereafter" means after the effective date of the Agreement, which shall be the date of issuance of the first Series of Project Bonds.

Section 103. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or give to, any person, other than the City, the Depository Bank, the School District and each Series Trustee any right, remedy or claim under or by reason of this Agreement or any stipulation, obligation, agreement or condition therein. All the stipulations, promises and agreements in this Agreement shall be for the sole and exclusive benefit of the City, the Depository Bank, the School District and each Series Trustee.

Section 104. Severability of Invalid Provisions. If any one or more of the provisions or agreements in this Agreement on the part of the City, the School District, the Depository Bank or a Series Trustee to be performed should be contrary to law, then such provision or provisions, agreement or agreements shall be deemed separable from the remaining provisions and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

## ARTICLE II

### ESTABLISHMENT AND OPERATION OF THE FUND

Section 201. Establishment of State Aid Depository Fund. In order to facilitate the purposes of the Act and the payment of the Aggregate Facilities Payment Obligations, there is hereby established a special fund which shall be known, and is referred to, as the State Aid Depository Fund. The Fund shall be held by and maintained with the Depository Bank, and the School District and the City hereby agree with the Depository Bank that the City and the School District will duly and punctually pay or cause to be paid the Aggregate Facilities Payment Obligations from amounts received from the Fund, and that the City and the School District will maintain the Fund with the Depository Bank, and will operate the Fund in the manner set forth herein.

Section 202. Operation of the Fund. (a) Pursuant to written instructions to the New York State Comptroller dated March 12, 2008, the Commissioner of Finance and the President of the Board of Education of the School District have directed the New York State Comptroller's Office to deposit all State Aid to Education into the Fund except for any amount of State Aid to Education withheld from the City or School District in accordance with the provisions of the Act.

(b) Notwithstanding the following provisions of this Section 202, if the Depository Bank receives written instructions from the Commissioner of Finance with an accompanying monthly payment schedule from the Commissioner of Finance indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the payment in accordance with such payment schedule of outstanding revenue anticipation notes issued by the City (the "RAN Repayment Requirement"); then, each month, the Depository Bank shall immediately withdraw from the Fund all State Aid to Education that are received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under this Section 202, to such special bank account, until the total amount of such withdrawals is equal to the portion of such RAN Repayment Requirement required, in accordance with such payment schedule, to be withdrawn and paid to such special bank account for such month or any prior month to the extent not yet paid.

(c) Commencing on April 1, 2008 through and including November 30, 2008, the Depository Bank shall immediately upon receipt of any payment of State Aid to Education pay over to the General Fund all such State Aid to Education.

(d) On or before July 15, 2008 for the Fiscal Year ending June 30, 2009, and on or before July 15 of each subsequent Fiscal Year, the Collecting Officer and the Commissioner of Finance shall prepare and deliver to the Depository Bank and each Series Trustee a certificate, substantially in the form of Exhibit A-1 hereto (the "State Aid Payment Certificate"), setting forth (i) a statement that the School District has budgeted and directed payment from appropriated funds of, and the City has appropriated, an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations for such Fiscal Year,

(ii) the total amount of State Aid to Education expected to be received during the next Collection Period and the Collection Percentage applicable to each month of such Collection Period, and (iii) a statement developed with the assistance of the School District's financial advisor or a nationally recognized municipal securities underwriting firm, setting forth the long-term debt rating of each provider of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. However, in the event that the City shall not have appropriated or the School District has not budgeted or directed payment from appropriated funds for such amount of State Aid to Education in its adopted budget for such Fiscal Year, the State Aid Payment Certificate for such Fiscal Year shall set forth a statement to such effect, shall not include any information regarding the collection of State Aid to Education during the Collection Period and shall be substantially in the form of Exhibit A-2 hereto. Thereafter and not later than the end of the third business day immediately preceding March 31 of such Fiscal Year, if circumstances warrant, the Collecting Officer and the Commissioner of Finance shall from time to time prepare and deliver to the Depository Bank a revised State Aid Payment Certificate setting forth, as appropriate (i) a statement that the City has, subsequent to adoption of its budget for such Fiscal Year, appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations for such Fiscal Year, or (ii) a revised total amount of State Aid to Education expected to be received during the Collection Period for such Fiscal Year and, in either case, if applicable, Collection Percentages or revised Collection Percentages applicable to the remainder of such Collection Period.

(e) On or before November 10 of each Fiscal Year, commencing November 10, 2008, the Depository Bank shall receive from each Series trustee, in accordance with the Indenture pursuant to which such Series Trustee has been appointed, a certificate (the "Base Facilities Agreement Payment Certificate") setting forth the Net Base Facilities Agreement Payment (computed as of the immediately preceding last business day of October of such Fiscal Year) portion of the Facilities Payment Obligations due on the following April 1.

(f) On or before November 10 of each Fiscal Year, commencing November 10, 2008, the Depository Bank shall receive from each Series Trustee, in accordance with the Indenture pursuant to which such Series Trustee has been appointed, a certificate (the "Reserve Payment Certificate") setting forth the Reserve Payment (as defined in each Series Facilities Agreement and computed as of the immediately preceding last business day of October of such Fiscal Year) portion of the Facilities Payment Obligations due and the amount of the Debt Service Reserve Deficiency as of the date of such certificate.

(g) During each Collection Period, if the Depository Bank has received a State Aid Payment Certificate with respect to such Collection Period that sets forth the statements required by clauses (i) and (ii) of the first sentence of Section 202(d), the Depository Bank shall, immediately upon receipt of any payment of State Aid to Education, withdraw such State Aid to Education from the Fund and cause the amounts so withdrawn to be immediately paid in the following order of priority:

(i) *first*, to each Series Trustee for deposit in the Bond Fund established pursuant to the related Series Indenture until the total amount of such withdrawals during each month of such Collection Period shall equal the sum of

(A) the product of the Collection Percentage for such month multiplied by the Net Base Facilities Agreement Payment due the immediately following April 1 as set forth in the Base Facilities Agreement Payment Certificate most recently received by the Depository Bank, plus (B) during the months of January, February and March, the excess of the amount that should have been deposited in the Bond Fund in the immediately preceding month of the Collection Period pursuant to the provisions of this paragraph, over the amount in fact so deposited;

(ii) *second*, thereafter during each month of such Collection Period, to each Series Trustee for deposit in the Debt Service Reserve Fund established pursuant to the related Series Indenture until the total amount of such withdrawals is equal to the Reserve Payment due, if any, as set forth in the Reserve Payment Certificate most recently received by the Depository Bank, and

(iii) *third*, thereafter during each month of such Collection Period, to the General Fund.

In the event that any amount on deposit in the Fund in any month of the Collection Period, at any time, shall be less than the amount required to be paid to a Series Trustee under clauses (i) or (ii) above, the Depository Bank shall make payment to each Series Trustee on a Ratable Basis, in the priority indicated above. For purposes of the preceding sentence, "Ratable Basis" shall be first computed based on amounts payable to each Series Trustee under clause (i) above if there is not enough in the Fund to pay to each Series Trustee what is payable under clause (i) above, and, if the amounts payable under clause (i) have been paid in full, then computed based on the amount payable to each Series Trustee under clause (ii).

Thereafter from April 1 until the commencement of the next Collection Period, immediately upon receipt of any payment of State Aid to Education, the Depository Bank shall withdraw such State Aid to Education from the Fund and cause the amounts so withdrawn to be immediately paid to the General Fund.

If the Depository Bank has not received with respect to a Collection Period for any reason a State Aid Payment Certificate that includes the statements required by clauses (i) and (ii) of the first sentence of Section 202(d), the Depository Bank, both during and after such Collection Period until the next Collection Period, shall withdraw any State Aid to Education from the Fund and cause the amounts so withdrawn to be immediately paid to the General Fund.

Section 203. Procedure for Collection and Deposit of State Aid to Education. The procedure set forth in this Article for the operation of the Fund is related to the School District's current procedure for the collection, deposit and disbursement of State Aid to Education. Nothing herein contained shall prevent the City, the Depository Bank and the School District from effecting any change by amendment hereto modifying the procedures for the collection, deposit and disbursement of State Aid to Education, without the consent of any other party; provided, however, that the School District hereby agrees with the City and the Depository Bank that (i) prior to making any such change, the School District shall notify each Rating Agency of such change and that prior to any such change there shall be delivered to the Depository Bank a rating confirmation of each Rating Agency that the then current unenhanced



rating of the Project Bonds will not be withdrawn or reduced as a result of such change and (ii) the School District will not change or alter the procedure for the collection and deposit of State Aid to Education which in any manner would result in insufficient State Aid to Education being available to timely pay Facilities Payment Obligations in accordance with the terms of this Agreement.

Section 204. Accounts, Reports and Certificates. The Depository Bank agrees that it will keep, or cause to be kept, proper books of record in which complete and accurate entries shall be made of all transactions relating to the Fund. The School District at its sole cost and expense shall cause such books of record relating to the Fund to be audited annually by one or more certified public accountants duly licensed by the State, and such audit shall be filed by the School District with the Commissioner of Finance, the Depository Bank and each Series Trustee.

### ARTICLE III

#### THE DEPOSITORY BANK

Section 301. Appointment of Successor Depository Bank. The Commissioner of Finance may take any and all necessary action in connection with the removal of the Depository Bank and the designation of a successor Depository Bank. Each successor Depository Bank shall be a trust company or bank having the powers of a trust company in the State with a reported capital and surplus of not less than \$100,000,000 and rated not less than investment grade by any Rating Agency. The Collecting Officer shall give notice to the Board of Education of any action with respect to the Depository Bank in accordance with this Article by filing or causing to be filed a signed statement of such action in the office of the Clerk to the Board of Education on the date such action is taken.

Section 302. Moneys on Deposit with the Depository Bank in the Fund. The Depository Bank shall hold all moneys deposited in the Fund in trust for the benefit of the School District and the City, and shall withdraw such moneys as provided in this Agreement.

Section 303. Investment of State Aid Depository Fund. Pending the withdrawals provided for in Section 202, moneys in the Fund shall be invested in Investment Securities maturing at such times and in such amounts as shall provide available moneys to make such withdrawals and payments from the Fund when required. Such investments shall be made for and on behalf of the School District by the Depository Bank upon written instructions from the Commissioner of Finance or his authorized deputy.

Section 304. Moneys held in Trust. All moneys held by the Depository Bank, as such, at any time pursuant to the terms of this Agreement shall be and hereby are assigned, transferred and set over unto such Depository Bank in trust for the purposes and under the terms and conditions of this Agreement.

Section 305. Responsibilities of the Depository Bank. The recital of facts herein contained shall be taken as the statements of the School District, the City and the Syracuse Joint Schools Construction Board and the Depository Bank shall assume no responsibility for the

correctness of same. The Depository Bank shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or failure to perform its express obligations under this Agreement.

Section 306. Evidence on Which the Depository Bank May Act. The Depository Bank shall be protected in acting upon any notice, resolution, ordinance, request, consent, order, certificate, opinion or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Depository Bank shall be permitted to rely on any document transmitted to the Depository Bank by facsimile as if it were an original. The Depository Bank may consult with counsel, who may or may not be counsel to the School District or the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Section 307. Compensation and Expenses. Unless otherwise provided by contract with the Depository Bank, the School District shall pay to the Depository Bank from time to time reasonable compensation for all services rendered by it hereunder, and also reimbursement for all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder.

Section 308. Resignation of the Depository Bank. Subject to the applicable requirements for a successor depository bank set forth in Section 301 hereof, the Depository Bank may at any time resign and be discharged of the duties created by this Agreement by giving not less than 60 days' written notice to the School District, the Commissioner of Finance, the State Comptroller and each Series Trustee, and such resignation shall not take effect until a successor shall have been appointed by the Commissioner of Finance as provided in Section 301.

Section 309. Removal of Depository Bank. Subject to the appointment of a successor Depository Bank in accordance with the provisions of Section 301 hereof, the Depository Bank may be removed at any time by the Commissioner of Finance by notice in writing filed with the Depository Bank, each Series Trustee and the State Comptroller.

Section 310. Regulations Regarding Investment of Fund. Investment Securities purchased as an investment of moneys in the Fund established under this Agreement shall be deemed at all times to be a part of the Fund, and the interest thereon and any profit arising on the sale thereof shall be credited to the Fund, and any loss resulting on the sale thereof shall be charged to the Fund. In computing the amount in the Fund for any purpose hereunder, such Investment Securities shall be valued at the lower of cost or market price thereof, exclusive of accrued interest, such valuation to be completed by a valuation service selected by the Depository Bank.

Section 311. Enforcement. The construction and enforcement of this Agreement shall be governed by the laws of the State of New York. The parties hereto consent to the jurisdiction of any state or federal court located in the State of New York for the resolution of any claim or controversy arising directly or indirectly from this Agreement.

Section 312. Execution. This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 313. Notices. All notices, requests, demands and formal actions hereunder will be in writing, mailed, faxed or delivered to:

(a) **School District:**

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210  
Attention: Superintendent  
Fax No.: (315) 435-4015

(b) **City:**

City of Syracuse  
Department of Finance  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Commissioner of Finance  
Fax No.: 315-448-8424

(c) **Depository Bank:**

Manufacturers and Traders Trust Company  
One M&T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
Fax No.: (716) 842-4474

(d) **Series Trustee:**

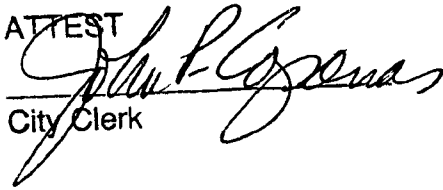
Manufacturers and Traders Trust Company  
One M&T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
Fax No.: (716) 842-4474

IN WITNESS WHEREOF, the parties hereto have caused this State Aid Depository Agreement to be executed as of the day and year first above written.

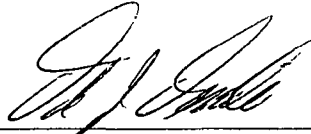
**CITY OF SYRACUSE**

ATTEST

City Clerk

  
\_\_\_\_\_

By: \_\_\_\_\_

  
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: \_\_\_\_\_

Ned Deuel  
President of the Board of Education

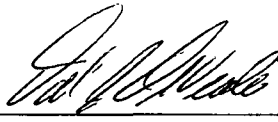
**MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank**

By \_\_\_\_\_

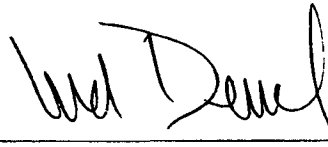
Russell T. Whitley  
Assistant Vice President

**IN WITNESS WHEREOF**, the parties hereto have caused this State Aid Depository Agreement to be executed as of the day and year first above written.

**CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
Ned Deuel  
President of the Board of Education

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank**

By \_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President

**IN WITNESS WHEREOF**, the parties hereto have caused this State Aid Depository Agreement to be executed as of the day and year first above written.


**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Ned Deuel  
President of the Board of Education

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank**

By:  \_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President

**Exhibit A-1**

**State Aid Payment Certificate  
(Appropriation)**

\_\_\_\_\_  
(Date)<sup>1</sup>

Via Facsimile (716-842-4474)

Manufacturers and Traders  
Trust Company, as Depository Bank  
One M&T Plaza  
Syracuse, New York 14203  
Attention: Corporate Trust Department  
Russell Whitley

Ladies and Gentlemen:

Re: State Aid Payment Certificate

Reference is made to the State Aid Depository Agreement, dated as of March 1, 2008 (the "State Aid Depository Agreement"), among the City School District of the City of Syracuse (the "District"), the City of Syracuse (the "City") and Manufacturers and Traders Trust Company, as Depository Bank (the "State Aid Depository Agreement"). All capitalized terms not otherwise defined herein have the meanings attributed to them in the State Aid Depository Agreement.

The District and the City are delivering this letter as the State Aid Payment Certificate required by the State Aid Depository Agreement. The District has budgeted and directed payment of appropriated funds to payment of, and the City has appropriated, an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations for Fiscal Year ending June 30, \_\_\_\_\_. The total amount of State Aid to Education expected to be received during the period from December 1, \_\_\_\_\_ through and including March 31, \_\_\_\_\_ (the "Collection Period") is \$\_\_\_\_\_ and the Collection Percentage<sup>2</sup> for each month during the Collection Period is set forth below:

<sup>1</sup> For the first certificate after closing of the Series 2008A Bonds, this letter should be delivered to the Depository Bank on or before July 15, 2008.

<sup>2</sup> Compute by dividing the State Aid Revenues expected to be received in the particular month by the total amount of State Aid Revenues expected to be received during the Collection Period, and then expressing the result as a percentage.

|    |          |             |
|----|----------|-------------|
| 1. | December | ___%        |
| 2. | January  | ___%        |
| 3. | February | ___%        |
| 4. | March    | ___%        |
|    |          | <u>100%</u> |

3

You are further advised that, in consultation with [\_\_\_\_\_, the District's Financial Advisor] [\_\_\_\_\_, a nationally recognized municipal securities underwriting firm], the long-term debt rating of each provider (the "Provider") of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. ("S&P") is set forth below:

| <u>Name of Provider</u> | <u>Fitch Rating</u> | <u>Moody's Rating</u> | <u>S&amp;P Rating</u> |
|-------------------------|---------------------|-----------------------|-----------------------|
|-------------------------|---------------------|-----------------------|-----------------------|

Very truly yours,

\_\_\_\_\_, Superintendent

\_\_\_\_\_, Commissioner of Finance

<sup>3</sup> A revised State Aid Certificate can be delivered for a fiscal year, no later than the 3rd business day preceding March 31 of that fiscal year.



**Exhibit A-2**

**State Aid Payment Certificate  
(Non-Appropriation)**

\_\_\_\_\_  
(Date)

Via Facsimile (716-842-4474)

Manufacturers and Traders  
Trust Company, as Depository Bank  
One M&T Plaza  
Syracuse, New York 14203  
Attention: Corporate Trust Department  
Russell Whitley

Ladies and Gentlemen:

Re: State Aid Payment Certificate

Reference is made to the State Aid Depository Agreement, dated as of March 1, 2008 (the "State Aid Depository Agreement"), among the City School District of the City of Syracuse (the "District"), the City of Syracuse (the "City") and Manufacturers and Traders Trust Company, as Depository Bank (the "State Aid Depository Agreement"). All capitalized terms not otherwise defined herein have the meanings attributed to them in the State Aid Depository Agreement.

The District and the City are delivering this letter as the State Aid Payment Certificate required by the State Aid Depository Agreement. The City and/or the District has not yet appropriated an amount of State Aid to Education pursuant to its adopted budget for Fiscal Year ending June 30, \_\_\_\_\_ for the payment of the Aggregate Facilities Payment Obligations for such Fiscal Year. [Insert the following sentence, if appropriate. It is anticipated that the budget will be revised and an updated State Aid Payment Certificate will be provided.]

You are further advised that, in consultation with [\_\_\_\_\_, the District's Financial Advisor] [\_\_\_\_\_, a nationally recognized municipal securities underwriting firm], the long-term debt rating of each provider (the "Provider") of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. ("S&P") is set forth below:

Name of Provider

Fitch Rating

Moody's Rating

S&P Rating

Very truly yours,

\_\_\_\_\_, Superintendent

\_\_\_\_\_, Commissioner of Finance

---

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

**AND**

**CITY OF SYRACUSE**

**AND**

**MANUFACTURERS AND TRADERS TRUST COMPANY, as  
Depository Bank**

**FIRST AMENDMENT TO STATE AID DEPOSITORY AGREEMENT**

**Dated as of December 1, 2010**

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**FIRST AMENDMENT TO  
STATE AID DEPOSITORY AGREEMENT**

THIS FIRST AMENDMENT TO STATE AID DEPOSITORY AGREEMENT, made as of December 1, 2010 (this "First Amendment to Agreement"), by and among CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the "School District"), CITY OF SYRACUSE (the "City") and MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank (the "Depository Bank") amending a certain State Aid Depository Agreement, dated as of March 1, 2008 (the "Original Agreement," and, together with this First Amendment to Agreement, being collectively referred to as the "Agreement"), by and among the School District, the City and the Depository Bank (capitalized terms used but not defined in the recitals to this First Amendment to Agreement shall have the meanings set forth in Section 101 of the Original Agreement).

WHEREAS, the Legislature of the State of New York, pursuant to the Act, has enacted legislation authorizing the City of Syracuse Industrial Development Agency ("SIDA") to finance, license or lease school building sites of the City and the School District renovated, reconstructed or constructed pursuant to State law; and

WHEREAS, the City and the School District have entered into negotiations with officials of SIDA to finance various "projects" as defined in the Act and to assist in the rehabilitation and/or reconstruction, equipping and furnishing of existing public schools (collectively, the "Facilities") within the City in order to implement the comprehensive redevelopment of the City's public schools (the "Project"); and

WHEREAS, in order to finance a portion of the cost of the Project, SIDA intends to issue from time to time in various Series of its School Facility Revenue Bonds (Syracuse City School District Project), all pursuant to the Act, and other applicable legislation, and an indenture of trust for each such Series of Project Bonds, and to secure the Project Bonds with payments to be paid by the City and the School District to SIDA pursuant to a Series Facilities Agreement (as hereinafter defined) pursuant to which SIDA shall lease, sublease or sell its licensed interest in the Facilities to the City; and

WHEREAS, the City's and School District's obligation to make such payments to SIDA will be subject to annual appropriation by the City and the School District and will be payable solely from the State Aid to Education and/or other state aid and/or school aid payable to the City or the School District and intercepted by the Comptroller of the State of New York and paid to SIDA or the related Series Trustee (acting on behalf of SIDA) pursuant to the Act; and

WHEREAS, pursuant to the State Education Law (1) the disbursement of State Aid to Education is solely the prerogative and responsibility of the School District's Board of Education so long as such revenue is spent for the educational purposes appropriated and within the limits of the appropriation, (2) the School District's Board of Education shall make such classification of the funds and the disbursements thereof as the Commissioner of Finance of the City (the "Commissioner of Finance") shall require, and (3) the School District's Board of

Education shall furnish such data in relation to such funds and their disbursements as the Commissioner of Finance shall require; and

WHEREAS, the Commissioner of Finance periodically authorizes the issuance of City revenue anticipation notes in anticipation of the receipt of State Aid to Education and the Commissioner of Finance is required by State law to provide for the set aside of State Aid to Education to provide for repayment of such notes; and

WHEREAS, the establishment and maintenance of a State Aid Depository Agreement into which the State Aid to Education are to be deposited for periodic disbursement in the respective amounts necessary for payment of debt service and other payments to be made by the City and the School District due under Series Facilities Agreements and City revenue anticipation notes issued in anticipation of State Aid to Education will facilitate the marketing and sale of the Project Bonds secured by such payments; and

WHEREAS, pursuant to instructions delivered to the New York State Comptroller dated March 12, 2008, the Commissioner of Finance and the President of the Board of Education of the School District have directed the New York State Comptroller's Office to forward all State Aid to Education to the State Aid Depository Fund established pursuant to the Original Agreement; and

WHEREAS, Part I of Chapter 61 of the Laws of 2006 (the "EXCEL Act") established the Expanding our Children's Education and Learning program to provide grants to public school Districts (the "EXCEL Grants"), to pay, in addition to or in lieu of existing state school building apportionments, the costs of Excel projects (as defined in the EXCEL Act); and

WHEREAS, the parties hereto desire to amend the Original Agreement to specifically provide that EXCEL Grants are not included in the definition of State Aid to Education as that term is defined in the Original Agreement.

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

Section 101. Except as hereby expressly amended, the Original Agreement is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect, and this First Amendment to Agreement and all of its terms, provisions and conditions shall be deemed to be a part of the Original Agreement.

Section 102. All terms not otherwise defined in this First Amendment to Agreement shall have the same meanings in this First Amendment to Agreement as those terms are given in the Original Agreement.

Section 103. Unless the context otherwise requires, the following term defined in Section 101 of the Original Agreement is hereby amended to have the following meaning (additional language is underscored and deleted language is bracketed):

(1) "State Aid to Education" means the total amount of State building and operating aid annually appropriated by the New York State Legislature and paid to the

School District or the City or any officer thereof for the provision of public educational instruction in the City (excluding any grants to the School District or the City or any officer or designee thereof paid pursuant to Part I of Chapter 61 of the Laws of 2006 ("EXCEL Grants")), together with earnings on the investment thereof while in the custody of the Depository Bank.

Section 104. All references in the Original Agreement to "this Agreement" or words of similar import, and the terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in the Original Agreement, shall be deemed to refer to the Original Agreement , as amended by this First Amendment to Agreement .

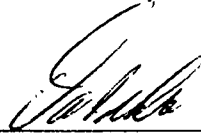
Section 105. This First Amendment to Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 106. The date of this First Amendment to Agreement shall be for reference purposes only and shall not be construed to imply that this First Amendment to Agreement was executed on the date first above written.

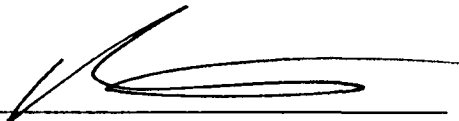
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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to State Aid Depository Agreement to be executed as of the day and year first above written.


**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By:   
Richard Strong  
President of the Board of Education

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Depository Bank**

By:   
Russell T. Whitley  
Assistant Vice President

**Acknowledged:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By:   
Suzanne Slack  
Chief Financial Officer



D E P A R T M E N T O F F I N A N C E

Stephanie A. Miner, Mayor

December 22, 2010

Office of the State Comptroller  
110 State Street  
Albany, New York 12236

Attention: Thomas Mahoney  
Director of Account Operations

Re: First Amendment to State Aid Depository Agreement dated as of December 1, 2010 (the "State Aid Depository Agreement") among the City School District of the City of Syracuse (the "School District"), the City of Syracuse (the "City") and Manufacturers and Traders Trust Company, as Depository Bank (the "Depository Bank")

Dear Sir:

The undersigned Commissioner of Finance of the City and President of the Board of Education of the School District have previously entered into that certain State Aid Depository Agreement dated as of March 1, 2008 (the "Original Agreement") among the City School District of the City of Syracuse (the "School District"), the City of Syracuse (the "City") and Manufacturers and Traders Trust Company, as Depository Bank (the "Depository Bank") and on March 12, 2008 sent you a letter (a copy of which is attached) directing that all State Aid Revenues (as defined in the Original Agreement) be thereafter paid directly to the Depository Bank for the purpose of providing for the deposit and periodic disbursement of building and operating aid annually appropriated by the New York State Legislature and paid to the School District or the City or any officer thereof, for the provision of public educational instruction in the City ("State Aid Revenues"). A copy of the Original Agreement is appended to this letter.

Part I of Chapter 61 of the Laws of 2006 of the State of New York (the "EXCEL Act") established the Expanding our Children's Education and Learning program to provide grants to public school Districts (the "EXCEL Grants"), to pay, in addition to or in lieu of existing state school building apportionments, the costs of Excel projects (as defined in the EXCEL Act).

Pursuant to a First Amendment to State Aid Depository Agreement dated as of December 1, 2010 (the "First Amendment to Agreement"), a copy of which is attached, the Original Agreement has been amended to specifically provide that EXCEL Grants are not included in the definition of State Aid to Education as that term is defined in the Original Agreement. The Original Agreement, as amended by the First Amendment to Agreement is referred to herein as the "Agreement").

In accordance with the intent and purpose of the Agreement, each of the Commissioner of Finance (on behalf of the City) and the President of the Board of Education of the School



Office of New York State Comptroller  
December 22, 2010  
Page 2

District (on behalf of the School District), DO HEREBY DIRECT that all State Aid Revenues (as defined in the Agreement) be hereafter paid directly to the Depository Bank at the account listed below:

**Manufacturers and Traders Trust Company**

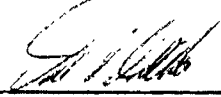
**Account No. 16629826**

or to such other account of the Depository Bank or to such account of a successor Depository Bank or otherwise as may be designated to you in writing by the undersigned.

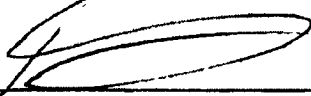
We have previously provided you with a completed copy of the "Electronic Payments Authorization Form" of your office.

Please execute below an acknowledgement and agreement to the terms of this letter of direction. Thank you.

**THE CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**SYRACUSE SCHOOL DISTRICT**

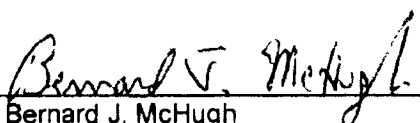
By:   
\_\_\_\_\_  
Richard Strong  
President, Board of Education

**SYRACUSE SCHOOL DISTRICT**

By:   
\_\_\_\_\_  
Suzanne Slack  
Chief Financial Officer

ACKNOWLEDGED AND AGREED as of <sup>February</sup> ~~January~~ 14, 2011

**OFFICE OF NEW YORK STATE COMPTROLLER**

By:   
\_\_\_\_\_  
Bernard J. McHugh  
Director of State Expenditures

## ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT (the "*Agreement*") is made as of March 1, 2008, by the CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the "*Indemnitor*") and the CITY OF SYRACUSE (the "*City*"), for the benefit of the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the "*Agency*").

### RECITALS:

WHEREAS, the Agency has undertaken, at the request of the Syracuse Joint Schools Construction Board (the "*JSCB*") on behalf of the Indemnitor and the City, a project (the "*Project*") consisting of: (a) acquisition by the Agency of an interest in, and the rehabilitation and/or reconstruction of, certain existing public schools (including additions to an existing school building and construction or reconstruction of athletic fields, playgrounds and other recreational facilities for such existing school buildings and/or the acquisition and installation of all Equipment (as defined herein) necessary and attendant to and for the use of such existing school building) of the City and the SCSD located within the City (collectively, the "*Facilities*"), at the sites listed in Exhibit A attached hereto and made a part hereof; (b) the financing thereof by the issuance of the Agency's \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A (the "*Bonds*"); (c) the Agency appointing the JSCB to act as the agent of the Agency in connection with the completion of the Facilities; (d) the funding of reserves and certain expenses anticipated to be incurred in connection with the issuance of the Bonds; and (e) the sale of the Facilities to the Indemnitor and the City pursuant to an installment sale agreement;

NOW, THEREFORE, in consideration of the premises, Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

#### 1. Recitals; Definitions.

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule of Definitions attached to the Indenture as Appendix "A".

#### 2. Representations and Warranties.

(a) Except as disclosed in Exhibit "B" annexed hereto, each of Indemnitor and City represents and warrants that (i) it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, "*Hazardous Substances*"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state

or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the "**Hazardous Waste Laws**"), at, upon, under or within the Facilities or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Facilities or on any contiguous real estate in violation of any Hazardous Waste Laws.

(b) Except as disclosed in Exhibit B, each of Indemnitor and the City further represents and warrants that (i) it has not been nor will be involved in operations at or near the Facilities which operations could lead to (A) the imposition of liability on Indemnitor, the City or on any subsequent or former owner of the Facilities or (B) the creation of a lien on the Facilities under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will use its commercially reasonable best efforts to not permit, any tenant or occupant of the Facilities to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, the Agency, the Indemnitor, the City or any other owner of any of the Facilities.

### **3. Covenants.**

Indemnitor and the City shall comply in all material respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify the Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Facilities in violation of any Hazardous Waste Laws. Indemnitor and the City shall promptly forward to the Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance in violation of any Hazardous Waste Laws, as they may affect the Facilities.

### **4. Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless the Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances (in each case in violation of any Hazardous Waste Laws) affecting the Facilities whether or not the same originates or emanates from the Facilities or any contiguous real estate including any loss of value of the Facilities as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of

assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Facilities; and/or

(4) any other environmental matter affecting the Facilities within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency in violation of Hazardous Waste Laws.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Facilities, in each case in violation of any Hazardous Waste Laws, whether or not the same originates or emanates from the Facilities or any contiguous real estate, and/or if Indemnitor and the City shall fail to comply in any material respect with any of the requirements of the Hazardous Waste Laws or related regulations, the Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Facilities and/or take any and all other actions as the Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Each of Indemnitor and the City acknowledges that the Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement in determining to undertake the Project. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Installment Sale Agreement or other Project Documents.

**5. Attorneys' Fees.** If the Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay the Agency's costs and reasonable attorneys' fees thereby incurred. The Agency may employ an attorney of its own choice.

**6. Interest.** In the event that the Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) business days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate equal to one percent (1%) per month until such amount, plus interest, is paid in full.

**7. No Waiver.** Notwithstanding any terms of the Project Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Project Documents; (ii) any sale, assignment or foreclosure of the Installment Sale Agreement or any sale or transfer of all or part of the Facilities; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Project Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Project Documents by operation of law, the Agency's voluntary act, or

otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

**8. Waiver by Indemnitor.** Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause the Agency to proceed against any of the security for the Installment Sale Agreement before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order. Indemnitor agrees that any payments required to be made hereunder shall become due on demand. Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

**9. Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Installment Sale Agreement may be released without affecting the liability of any party not so released.

**10. Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

**11. Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

**12. Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the County of Onondaga. Service shall be effected by any means permitted by the court in which any action is filed.

**13. Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Chairman  
Telephone: (315) 448-8400  
Telecopy: (315) 448-8043

with a copy to:

Hiscock & Barclay, LLP  
One Park Place  
300 South State Street  
Syracuse, New York 13202  
Attention: Susan R. Katzoff, Esq.  
Telephone: (315) 425-2880  
Telecopy: (315) 425-8597

(b) If to the City:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Mayor

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

(c) If to the Indemnitor:

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210  
Attention: Superintendent

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

**14. Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require the Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of the Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent the Agency from insisting upon strict compliance with this Agreement or any other Project Document at any time thereafter.

**15. Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

**16. Inconsistencies Among the Project Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Installment Sale Agreement or any other Project Document. Any inconsistencies among the Project Documents shall be construed, interpreted and resolved so as to benefit the Agency, and such Person's election of such interpretation or construction is for such Person's benefit shall govern.

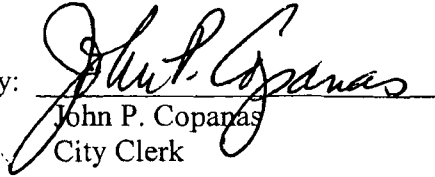
**17. Successors and Assigns.** This Agreement shall be binding upon successors, assigns, heirs, personal representatives and estate of Indemnitor and the City and shall inure to the benefit of the Agency and its successors and assigns.

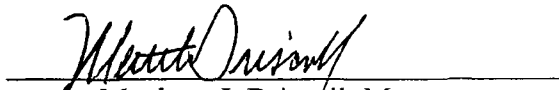
**18. Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Indemnitor and the City have executed this Environmental Compliance Agreement as of the date first above written.

ATTEST:

CITY OF SYRACUSE

By:   
John P. Copanas  
City Clerk

By:   
Matthew J. Driscoll, Mayor

CITY SCHOOL DISTRICT OF CITY OF SYRACUSE

By: \_\_\_\_\_  
Daniel G. Lowengard  
Superintendent



**IN WITNESS WHEREOF**, Indemnitor and the City have executed this Environmental Compliance Agreement as of the date first above written.

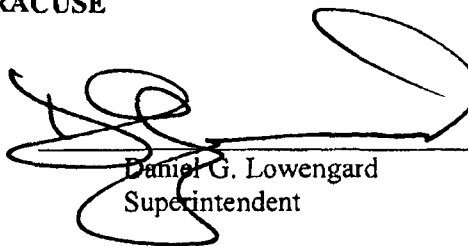
**ATTEST:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
Matthew J. Driscoll, Mayor

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By:  \_\_\_\_\_  
Daniel G. Lowengard  
Superintendent

## **EXHIBIT A**

### **DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central ( the former Central Technical High School) located at 258 East Adams Street;
2. Blodgett Pre-K-8 School located at 312 Oswego Street;
3. Shea Middle School located at 1607 South Geddes Street;
4. Dr. Weeks Elementary located at 710 Hawley Avenue;
5. Clary Middle School located at Amidon Drive;
6. Fowler High School located at 227 Magnolia Street; and
7. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.

**EXHIBIT B**

**None**

**FIRST SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND  
INDEMNIFICATION AGREEMENT**

**THIS FIRST SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT** (the "*First Supplemental Agreement*") is made as of December 1, 2010, by the **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE** (the "*Indemnitor*") and the **CITY OF SYRACUSE** (the "*City*"), for the benefit of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "*Agency*").

**RECITALS:**

**WHEREAS**, the Agency has undertaken, at the request of the Syracuse Joint Schools Construction Board (the "*JSCB*") on behalf of the Indemnitor and the City, a project (the "*Project*") consisting of: (a) the acquisition by the Agency of an interest in, and the design, reconstruction, rehabilitation or construction of (including certain additions thereto) the following existing school buildings known as the Institute of Technology at Syracuse Central (the former Central Technical High School), Shea Middle School, Dr. Weeks Elementary, Clary Middle School, Fowler High School and H.W. Smith Pre-K-8 School (collectively the "*Buildings*"); and the acquisition and installation therein of Equipment necessary and attendant to and for the use of the Buildings as schools by the City and the SCSD, all located within the City (the Buildings and the Equipment collectively the "*Facilities*") at the sites listed in Exhibit A attached hereto and made a part hereof; and (b) the financing of all or a portion of the costs thereof by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project), Series 2010 Project in an aggregate principal amount of \$31,470,000; (c) the Agency appointing the JSCB to act as the agent of the Agency in connection with the completion of the Facilities; (d) the funding certain expenses anticipated to be incurred in connection with the issuance of the Bonds; and (e) the sale of the Facilities to the Indemnitor and the City pursuant to an Installment Sale Agreement;

**WHEREAS**, the parties hereto expressly ratify and confirm all of the provisions and conditions of the Environmental Compliance and Indemnification Agreement entered into between the parties, dated as of March 1, 2008 (the "*Original Agreement*") and together with this First Supplemental Agreement, the "*Agreement*") shall remain in full force and effect, and this First Supplemental Agreement and all of its terms, provisions and conditions shall be deemed part of the Original Agreement.

**NOW, THEREFORE**, in consideration of the premises, Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

**1. Recitals; Definitions.**

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule of Definitions attached to the Indenture as Appendix "A".

## **2. Representations and Warranties.**

(a) Except as disclosed in Exhibit "B" annexed hereto, each of Indemnitor and City represents and warrants that (i) it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, "*Hazardous Substances*"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the "*Hazardous Waste Laws*"), at, upon, under or within the Facilities or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Facilities or on any contiguous real estate in violation of any Hazardous Waste Laws.

(b) Except as disclosed in Exhibit B, each of Indemnitor and the City further represents and warrants that (i) it has not been nor will be involved in operations at or near the Facilities which operations could lead to (A) the imposition of liability on Indemnitor, the City or on any subsequent or former owner of the Facilities or (B) the creation of a lien on the Facilities under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will use its commercially reasonable best efforts to not permit, any tenant or occupant of the Facilities to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, the Agency, the Indemnitor, the City or any other owner of any of the Facilities.

## **3. Covenants.**

Indemnitor and the City shall comply in all material respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify the Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Facilities in violation of any Hazardous Waste Laws. Indemnitor and the City shall promptly forward to the Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance in violation of any Hazardous Waste Laws, as they may affect the Facilities.

## **4. Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless the Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances (in each case in violation of any Hazardous Waste Laws) affecting the Facilities whether or not the same originates or emanates from the Facilities or any contiguous real estate including any loss of value of the Facilities as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Facilities; and/or

(4) any other environmental matter affecting the Facilities within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency in violation of Hazardous Waste Laws.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Facilities, in each case in violation of any Hazardous Waste Laws, whether or not the same originates or emanates from the Facilities or any contiguous real estate, and/or if Indemnitor and the City shall fail to comply in any material respect with any of the requirements of the Hazardous Waste Laws or related regulations, the Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Facilities and/or take any and all other actions as the Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Each of Indemnitor and the City acknowledges that the Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement in determining to undertake the Project. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Installment Sale Agreement or other Project Documents.

**5. Attorneys' Fees.** If the Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay the Agency's costs and reasonable attorneys' fees thereby incurred. The Agency may employ an attorney of its own choice.

**6. Interest.** In the event that the Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) business days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate equal to one percent (1%) per month until such amount, plus interest, is paid in full.

**7. No Waiver.** Notwithstanding any terms of the Project Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Project Documents; (ii) any sale, assignment or foreclosure of the Installment Sale Agreement or any sale or transfer of all or part of the Facilities; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Project Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Project Documents by operation of law, the Agency's voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

**8. Waiver by Indemnitor.** Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause the Agency to proceed against any of the security for the Installment Sale Agreement before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order. Indemnitor agrees that any payments required to be made hereunder shall become due on demand. Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

**9. Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Installment Sale Agreement may be released without affecting the liability of any party not so released.

**10. Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

**11. Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

**12. Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the County of Onondaga. Service shall be effected by any means permitted by the court in which any action is filed.

**13. Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Chairman  
Telephone: (315) 448-8400  
Telecopy: (315) 448-8043

with a copy to:

Hiscock & Barclay, LLP  
One Park Place  
300 South State Street  
Syracuse, New York 13202  
Attention: Susan R. Katzoff, Esq.  
Telephone: (315) 425-2880  
Telecopy: (315) 425-8597

(b) If to the City:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Mayor

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel



(c) If to the Indemnitor:

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210  
Attention: Superintendent

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

**14. Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require the Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of the Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent the Agency from insisting upon strict compliance with this Agreement or any other Project Document at any time thereafter.

**15. Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

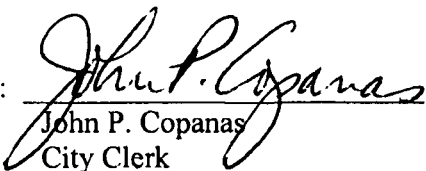
**16. Inconsistencies Among the Project Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Installment Sale Agreement or any other Project Document. Any inconsistencies among the Project Documents shall be construed, interpreted and resolved so as to benefit the Agency, and such Person's election of such interpretation or construction is for such Person's benefit shall govern.

**17. Successors and Assigns.** This Agreement shall be binding upon successors, assigns, heirs, personal representatives and estate of Indemnitor and the City and shall inure to the benefit of the Agency and its successors and assigns.

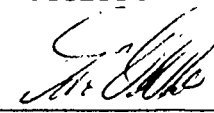
**18. Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Indemnitor and the City have executed this First Supplemental Environmental Compliance Agreement as of the date first above written.

ATTEST:

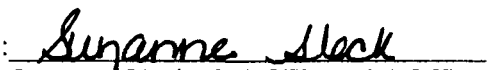
By:   
John P. Copanas  
City Clerk

CITY OF SYRACUSE

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

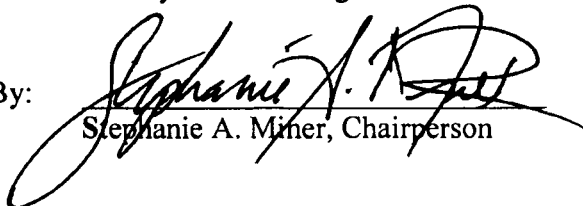
Acknowledged:

CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE

By:   
Suzanne Slack, Chief Financial Officer

CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE

By: SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,  
its duly authorized agent

By:   
Stephanie A. Miner, Chairperson

## **EXHIBIT A**

### **DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central (the former Central Technical High School) located at 258 East Adams Street;
2. Shea Middle School located at 1607 South Geddes Street;
3. Dr. Weeks Elementary located at 710 Hawley Avenue;
4. Clary Middle School located at Amidon Drive;
5. Fowler High School located at 227 Magnolia Street; and
6. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.

**EXHIBIT B**

**NONE**

**SECOND SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND  
INDEMNIFICATION AGREEMENT**

**THIS SECOND SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT** (the "**Second Supplemental Agreement**") is made as of July 1, 2011, by the **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE** (the "**Indemnitor**") and the **CITY OF SYRACUSE** (the "**City**"), for the benefit of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "**Agency**").

**RECITALS:**

**WHEREAS**, at the request of the Syracuse Joint Schools Construction Board (the "**JSCB**") on behalf of the Indemnitor and the City, the Agency has undertaken a project (the "**Project**") consisting of: (A)(i) the acquisition by the Agency of an interest in the following existing school buildings known as Dr. Weeks Elementary located at 710 Hawley Avenue ("**Dr. Weeks**"), Fowler High School located at 227 Magnolia Street ("**Fowler**") and H. W. Smith Pre-K-8 School located at 1130 Salt Springs Road ("**H.W. Smith**" and together with Dr. Weeks and Fowler, the "**Buildings**"); (ii) the construction of an approximately 7,800 square foot, two-story, five classroom addition to, and the renovation and improvement of, H. W. Smith and the renovation and improvement of Dr. Weeks and Fowler; (B) the acquisition and installation in and around H. W. Smith, Dr. Weeks and Fowler of certain items of equipment, furnishings, fixtures, and other incidental and appurtenant tangible personal property (the "**Equipment**" and together with the Buildings, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; (C) the appointment of the JSCB or its designee as an agent of the Agency in connection with the acquisition, construction, improvement and equipping of the Series 2011 Project; and (D) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2011 Project; financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Series 2011 Bonds in an aggregate principal amount of up to \$60,000,000.

**WHEREAS**, the parties hereto expressly ratify and confirm all of the provisions and conditions of the Environmental Compliance and Indemnification Agreement entered into between the parties dated as of March 1, 2008 (the "**Original Agreement**") as supplemented by the First Supplemental Environmental Compliance and Indemnification Agreement dated as of December 1, 2010 (the "**First Amended Agreement**" and together with the Original Agreement, and this Second Supplemental Agreement, the "**Agreement**") shall remain in full force and effect, and this Second Supplemental Agreement and all of its terms, provisions and conditions shall be deemed part of the Original Agreement.

**NOW, THEREFORE**, in consideration of the premises, Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

**1. Recitals; Definitions.**

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule of Definitions attached to the Indenture as Appendix "A".

**2. Representations and Warranties.**

(a) Except as disclosed in Exhibit "A" annexed hereto, each of Indemnitor and City represents and warrants that (i) it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, "**Hazardous Substances**"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the "**Hazardous Waste Laws**"), at, upon, under or within the Facilities or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Facilities or on any contiguous real estate in violation of any Hazardous Waste Laws.

(b) Except as disclosed in Exhibit "A", each of Indemnitor and the City further represents and warrants that (i) it has not been nor will be involved in operations at or near the Facilities which operations could lead to (A) the imposition of liability on Indemnitor, the City or on any subsequent or former owner of the Facilities or (B) the creation of a lien on the Facilities under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will use its commercially reasonable best efforts to not permit, any tenant or occupant of the Facilities to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, the Agency, the Indemnitor, the City or any other owner of any of the Facilities.

**3. Covenants.**

Indemnitor and the City shall comply in all material respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify the Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Facilities in violation of any Hazardous Waste Laws. Indemnitor and the City shall promptly forward to the Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance in violation of any Hazardous Waste Laws, as they may affect the Facilities.

**4. Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless the Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations,

judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances (in each case in violation of any Hazardous Waste Laws) affecting the Facilities whether or not the same originates or emanates from the Facilities or any contiguous real estate including any loss of value of the Facilities as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Facilities; and/or

(4) any other environmental matter affecting the Facilities within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency in violation of Hazardous Waste Laws.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Facilities, in each case in violation of any Hazardous Waste Laws, whether or not the same originates or emanates from the Facilities or any contiguous real estate, and/or if Indemnitor and the City shall fail to comply in any material respect with any of the requirements of the Hazardous Waste Laws or related regulations, the Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Facilities and/or take any and all other actions as the Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Each of Indemnitor and the City acknowledges that the Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement in determining to undertake the Project. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Installment Sale Agreement or other Project Documents.

**5. Attorneys' Fees.** If the Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay the Agency's costs and reasonable attorneys' fees thereby incurred. The Agency may employ an attorney of its own choice.

6. **Interest.** In the event that the Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) business days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate equal to one percent (1%) per month until such amount, plus interest, is paid in full.

7. **No Waiver.** Notwithstanding any terms of the Project Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Project Documents; (ii) any sale, assignment or foreclosure of the Installment Sale Agreement or any sale or transfer of all or part of the Facilities; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Project Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Project Documents by operation of law, the Agency's voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

8. **Waiver by Indemnitor.** Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause the Agency to proceed against any of the security for the Installment Sale Agreement before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order. Indemnitor agrees that any payments required to be made hereunder shall become due on demand. Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

9. **Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Installment Sale Agreement may be released without affecting the liability of any party not so released.

10. **Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

11. **Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

12. **Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the County of Onondaga. Service shall be effected by any means permitted by the court in which any action is filed.

13. **Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable



address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Chairman  
Telephone: (315) 448-8400  
Telecopy: (315) 448-8043

with a copy to:

Hiscock & Barclay, LLP  
One Park Place  
300 South State Street  
Syracuse, New York 13202  
Attention: Susan R. Katzoff, Esq.  
Telephone: (315) 425-2880  
Telecopy: (315) 425-8597

(b) If to the City:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Mayor

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

(c) If to the Indemnitor:

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210  
Attention: Superintendent

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

**14. Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require the Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of the Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent the Agency from insisting upon strict compliance with this Agreement or any other Project Document at any time thereafter.

**15. Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

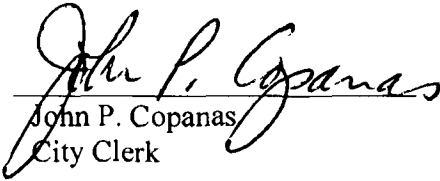
**16. Inconsistencies Among the Project Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Installment Sale Agreement or any other Project Document. Any inconsistencies among the Project Documents shall be construed, interpreted and resolved so as to benefit the Agency, and such Person's election of such interpretation or construction is for such Person's benefit shall govern.

**17. Successors and Assigns.** This Agreement shall be binding upon successors, assigns, heirs, personal representatives and estate of Indemnitor and the City and shall inure to the benefit of the Agency and its successors and assigns.


**18. Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Indemnitor and the City have executed this Second Supplemental Environmental Compliance Agreement as of the date first above written.

**ATTEST:**

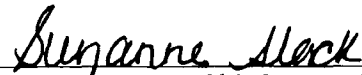
By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

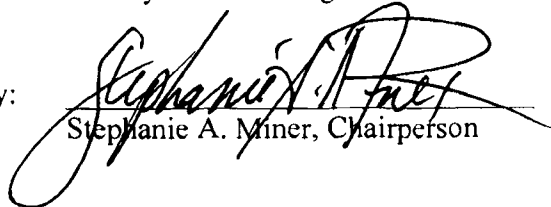
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By:   
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Stephanie A. Miner, Chairperson

**EXHIBIT A**

**NONE**

## THIRD SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

**THIS THIRD SUPPLEMENTAL ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT** (the "*Third Supplemental Agreement*") is made as of March 1, 2018, by the **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE** (the "*Indemnitor*") and the **CITY OF SYRACUSE** (the "*City*"), for the benefit of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "*Agency*").

### R E C I T A L S :

**WHEREAS**, at the request of the Syracuse Joint Schools Construction Board (the "*JSCB*") on behalf of the Indemnitor and the City, the Agency has undertaken a project (the "*Project*") consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "*Buildings*") listed on Exhibit "A" attached hereto and made a part hereof; (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "*Equipment*" and together with the Buildings, the "*Facilities*") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018 Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project-Series 2018 Project) in an aggregate principal amount of up to \$82,000,000 (the "*Series 2018A Bonds*"); and

**WHEREAS**, the parties hereto expressly ratify and confirm all of the provisions and conditions of the Environmental Compliance and Indemnification Agreement entered into between the parties dated as of March 1, 2008 (the "*Original Agreement*") as supplemented by the First Supplemental Environmental Compliance and Indemnification Agreement dated as of December 1, 2010 (the "*First Amended Agreement*") and the Second Supplemental Environmental Compliance and Indemnification Agreement dated as of July 1, 2011 (the "*Second Amended Agreement*") and together with the Original Agreement, the First Amended Agreement and this Third Supplemental Agreement, the "*Agreement*") shall remain in full force and effect, and this Third Supplemental Agreement and all of its terms, provisions and conditions shall be deemed part of the Original Agreement.

**NOW, THEREFORE**, in consideration of the premises, Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

**1. Recitals; Definitions.**

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule of Definitions attached as Appendix “A” to the Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (as the same may be amended or supplemented, the “*Series 2018A Indenture*”), between the Agency and Manufacturers and Traders Trust Company, as trustee.

**2. Representations and Warranties.**

(a) Except as disclosed in Exhibit “B” annexed hereto, each of Indemnitor and City represents and warrants that (i) it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, “*Hazardous Substances*”), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the “*Hazardous Waste Laws*”), at, upon, under or within the Facilities or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Facilities or on any contiguous real estate in violation of any Hazardous Waste Laws.

(b) Except as disclosed in Exhibit “B”, each of Indemnitor and the City further represents and warrants that (i) it has not been nor will be involved in operations at or near the Facilities which operations could lead to (A) the imposition of liability on Indemnitor, the City or on any subsequent or former owner of the Facilities or (B) the creation of a lien on the Facilities under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will use its commercially reasonable best efforts to not permit, any tenant or occupant of the Facilities to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, the Agency, the Indemnitor, the City or any other owner of any of the Facilities.

**3. Covenants.**

Indemnitor and the City shall comply in all material respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify the Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Facilities in violation of any Hazardous Waste Laws. Indemnitor and the City shall promptly forward to the Agency copies of all orders, notices,

permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance in violation of any Hazardous Waste Laws, as they may affect the Facilities.

#### **4. Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless the Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances (in each case in violation of any Hazardous Waste Laws) affecting the Facilities whether or not the same originates or emanates from the Facilities or any contiguous real estate including any loss of value of the Facilities as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Facilities; and/or

(4) any other environmental matter affecting the Facilities within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency in violation of Hazardous Waste Laws.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Facilities, in each case in violation of any Hazardous Waste Laws, whether or not the same originates or emanates from the Facilities or any contiguous real estate, and/or if Indemnitor and the City shall fail to comply in any material respect with any of the requirements of the Hazardous Waste Laws or related regulations, the Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Facilities and/or take any and all other actions as the Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Each of Indemnitor and the City acknowledges that the Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement

in determining to undertake the Project. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Installment Sale Agreement or other Project Documents.

**5. Attorneys' Fees.** If the Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay the Agency's costs and reasonable attorneys' fees thereby incurred. The Agency may employ an attorney of its own choice.

**6. Interest.** In the event that the Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) business days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate equal to one percent (1%) per month until such amount, plus interest, is paid in full.

**7. No Waiver.** Notwithstanding any terms of the Project Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Project Documents; (ii) any sale, assignment or foreclosure of the Installment Sale Agreement or any sale or transfer of all or part of the Facilities; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Project Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Project Documents by operation of law, the Agency's voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

**8. Waiver by Indemnitor.** Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause the Agency to proceed against any of the security for the Installment Sale Agreement before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order. Indemnitor agrees that any payments required to be made hereunder shall become due on demand. Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

**9. Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Installment Sale Agreement may be released without affecting the liability of any party not so released.

**10. Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

**11. Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.



**12. Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the County of Onondaga. Service shall be effected by any means permitted by the court in which any action is filed.

**13. Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, New York 13202  
Attention: Chairman  
Telephone: (315) 448-8400  
Telecopy: (315) 448-8043

with a copy to:

Barclay Damon LLP  
Barclay Damon Tower  
125 East Jefferson Street  
Syracuse, New York 13202  
Attention: Susan R. Katzoff, Esq.  
Telephone: (315) 425-2880  
Telecopy: (315) 425-8597

(b) If to the City:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Mayor

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

(c) If to the Indemnitor:

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210  
Attention: Superintendent

with a copy to:

City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202  
Attention: Corporation Counsel

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

**14. Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require the Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of the Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent the Agency from insisting upon strict compliance with this Agreement or any other Project Document at any time thereafter.

**15. Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

**16. Inconsistencies Among the Project Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Installment Sale Agreement or any other Project Document. Any inconsistencies among the Project Documents shall be construed, interpreted and resolved so as to benefit the Agency, and such Person's election of such interpretation or construction is for such Person's benefit shall govern.

**17. Successors and Assigns.** This Agreement shall be binding upon successors, assigns, heirs, personal representatives and estate of Indemnitor and the City and shall inure to the benefit of the Agency and its successors and assigns.

**18. Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Indemnitor and the City have executed this Third Supplemental Environmental Compliance Agreement as of the date first above written.

**ATTEST:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**Acknowledged:**

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

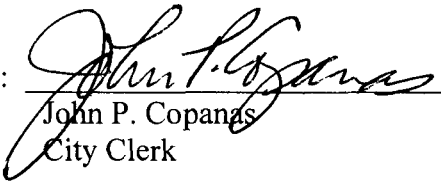
By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: Suzanne Slack  
Suzanne Slack, Chief Financial Officer

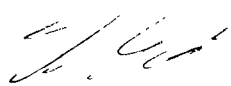
By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

IN WITNESS WHEREOF, Indemnitor and the City have executed this Third Supplemental Environmental Compliance Agreement as of the date first above written.

**ATTEST:**

By:   
John P. Copanas  
City Clerk

**CITY OF SYRACUSE**

By:   
David J. DelVecchio, CPA  
Commissioner of Finance

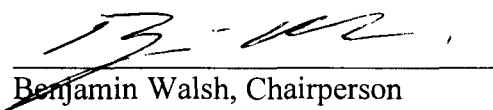
**Acknowledged:**

**CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Suzanne Slack, Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY  
OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**EXHIBIT "A"**

1. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
2. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
3. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
4. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

**EXHIBIT B**

**NONE**

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

to

**MANUFACTURERS AND TRADERS TRUST COMPANY,**  
as Trustee

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**INDENTURE OF TRUST (SERIES 2018A PROJECT)**

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Dated as of March 1, 2018

\$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

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## TABLE OF CONTENTS

|  | Page      |
|--|-----------|
| <b>ARTICLE I DEFINITIONS .....</b>   | <b>18</b> |
| Section 1.1. Definitions.....  | 18        |
| Section 1.2. Construction.....   | 18        |
| <b>ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS .....</b>                      | <b>19</b> |
| Section 2.1. Authorized Amount of Bonds; Pledge Effected by this Indenture ..... | 19        |
| Section 2.2. Issuance and Terms of the Series 2018A Bonds.....                   | 19        |
| Section 2.3. Redemption of Series 2018A Bonds.....                               | 21        |
| Section 2.4. Delivery of Series 2018A Bonds .....                                | 22        |
| Section 2.5. Execution of Bonds.....   | 23        |
| Section 2.6. Authentication.....   | 23        |
| Section 2.7. Additional Bonds .....  | 23        |
| Section 2.8. Limitation of Agency’s Liability .....                              | 26        |
| Section 2.9. Book-Entry Bonds .....  | 26        |
| <b>ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS.....</b>                    | <b>29</b> |
| Section 3.1. Date of Bonds .....   | 29        |
| Section 3.2. Form and Denominations.....   | 29        |
| Section 3.3. Legends .....   | 29        |
| Section 3.4. Medium of Payment.....  | 29        |
| Section 3.5. Bond Details.....   | 30        |
| Section 3.6. Interchangeability, Transfer and Registry.....                      | 30        |
| Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost.....                     | 30        |
| Section 3.8. Cancellation and Destruction of Bonds .....                         | 31        |
| Section 3.9. Requirements With Respect to Transfers .....                        | 31        |
| Section 3.10. Bond Registrar .....   | 31        |
| <b>ARTICLE IV APPLICATION OF BOND PROCEEDS.....</b>                              | <b>32</b> |
| Section 4.1. Application of Proceeds of Series 2018A Bonds.....                  | 32        |
| <b>ARTICLE V CUSTODY AND INVESTMENT OF FUNDS .....</b>                           | <b>33</b> |
| Section 5.1. Creation of Funds and Accounts.....                                 | 33        |
| Section 5.2. Project Fund .....  | 33        |
| Section 5.3. Payments into Bond Fund.....  | 35        |
| Section 5.4. State or School Aid Intercept.....                                  | 36        |
| Section 5.5. Reserved.....   | 37        |
| Section 5.6. Application of Bond Fund .....                                      | 37        |
| Section 5.7. Investment of Funds and Accounts.....                               | 38        |
| Section 5.8. Moneys to Be Held in Trust.....                                     | 40        |
| Section 5.9. Repayment to the City for Benefit of SCSD from the Funds .....      | 40        |
| Section 5.10. Non-presentment of Bonds .....                                     | 40        |
| Section 5.11. Payments into Rebate Fund; Application of Rebate Fund.....         | 40        |

**ARTICLE VI REDEMPTION OF BONDS** ..... 42

    Section 6.1. Privilege of Redemption and Redemption Price..... 42

    Section 6.2. Selection of Bonds to Be Redeemed..... 42

    Section 6.3. Notice of Redemption..... 42

    Section 6.4. Payment of Redeemed Bonds ..... 43

    Section 6.5. Cancellation of Redeemed Bonds..... 44

    Section 6.6. No Partial Redemption After Default ..... 44

**ARTICLE VII PARTICULAR COVENANTS**..... 45

    Section 7.1. Agency’s Obligations Not to Create a Pecuniary Liability ..... 45

    Section 7.2. Payment of Principal and Interest..... 45

    Section 7.3. Performance of Covenants; Authority ..... 45

    Section 7.4. Books and Records; Certificate as to Defaults ..... 46

    Section 7.5. The Installment Sale Agreement..... 46

    Section 7.6. Creation of Liens; Indebtedness; Sale of Facilities..... 46

    Section 7.7. Instruments of Further Assurance ..... 46

    Section 7.8. Recording and Filing..... 47

    Section 7.9. Records Held by the Trustee..... 47

    Section 7.10. Agency Tax Covenant..... 47

    Section 7.11. Annual Report of Trustee..... 48

**ARTICLE VIII EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS**..... 48

    Section 8.1. Events of Default; No Acceleration of Due Date ..... 48

    Section 8.2. Enforcement of Remedies..... 49

    Section 8.3. Application of Revenues and Other Moneys After Default..... 50

    Section 8.4. Actions by Trustee ..... 51

    Section 8.5. Majority Bondholders Control Proceedings ..... 51

    Section 8.6. Individual Bondholder Action Restricted ..... 51

    Section 8.7. Effect of Discontinuance of Proceedings..... 52

    Section 8.8. Remedies Not Exclusive ..... 52

    Section 8.9. Delay or Omission ..... 52

    Section 8.10. Notice of Default..... 52

    Section 8.11. Waivers of Default..... 52

**ARTICLE IX TRUSTEE AND PAYING AGENTS** ..... 54

    Section 9.1. Appointment and Acceptance of Duties ..... 54

    Section 9.2. Indemnity ..... 54

    Section 9.3. Responsibilities of Trustee..... 54

    Section 9.4. Compensation ..... 56

    Section 9.5. Evidence on Which Trustee May Act..... 56

    Section 9.6. Trustee and Paying Agents May Deal in Bonds ..... 56

    Section 9.7. Resignation or Removal of Trustee ..... 57

    Section 9.8. Successor Trustee..... 57

    Section 9.9. Resignation or Removal of Paying Agent; Successor ..... 58

    Section 9.10. Appointment of Co-Trustee ..... 59

    Section 9.11. Approvals or Consents by Trustee ..... 59

    Section 9.12. Notice to Rating Agencies ..... 59

|   |    |
|---|----|
| <b>ARTICLE X DISCHARGE OF INDENTURE</b> .....   | 60 |
| Section 10.1. Defeasance .....  | 60 |
| <b>ARTICLE XI AMENDMENTS OF INDENTURE</b> .....   | 61 |
| Section 11.1. Limitation on Modifications .....   | 61 |
| Section 11.2. Supplemental Indentures Without Bondholders’ Consent.....                             | 61 |
| Section 11.3. Supplemental Indentures With Consent of Bondholders.....                              | 62 |
| Section 11.4. Supplemental Indenture Part of this Indenture .....                                   | 64 |
| Section 11.5. Rights of School Parties.....   | 64 |
| <b>ARTICLE XII AMENDMENTS OF RELATED SECURITY DOCUMENTS</b> .....                                   | 64 |
| Section 12.1. Amendments of Related Security Documents Not Requiring<br>Consent of Bondholders..... | 64 |
| Section 12.2. Amendments of Related Security Documents Requiring Consent<br>of the Bondholders..... | 65 |
| <b>ARTICLE XIII MISCELLANEOUS</b> .....   | 66 |
| Section 13.1. Evidence of Signature of Bondholders and Ownership of Bonds .....                     | 66 |
| Section 13.2. Moneys Held for Particular Bonds .....  | 66 |
| Section 13.3. Notices .....   | 66 |
| Section 13.4. Parties Interested Herein .....   | 67 |
| Section 13.5. Partial Invalidity.....   | 67 |
| Section 13.6. Counterparts.....   | 68 |
| Section 13.7. Laws Governing Indenture .....  | 68 |
| Section 13.8. No Pecuniary Liability of Agency or Members.....                                      | 68 |
| Section 13.9. Payments Due on Saturdays, Sundays and Holidays.....                                  | 68 |
| Section 13.10. Priority of Indenture Over Liens.....  | 68 |
| Section 13.11. Date for Reference Purposes Only.....  | 69 |

**APPENDICES**

- Appendix A – Schedule of Definitions
- Appendix B - Form of Requisition from the Project Fund
- Appendix C – Form of Notice to State Comptroller
- Appendix D - Description of Facilities

## INDENTURE OF TRUST (SERIES 2018A PROJECT)

**THIS INDENTURE OF TRUST (SERIES 2018A PROJECT)** dated as of March 1, 2018 (as the same may be amended or supplemented, this “*Indenture*” or the “*Series 2018A Indenture*”), by and between the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, Syracuse, New York, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York (the “*Agency*”), having its principal office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202, party of the first part, and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of New York, as Trustee under this Indenture (the “*Trustee*” or the “*Series 2018A Trustee*”), having its principal corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, party of the second part,

### WITNESSETH:

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “*Enabling Act*”) authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes and which may include or mean an industrial pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the “*IDA Act*”), for the benefit of City of Syracuse, New York (the “*City*”) and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State of New York (the “*State*”) has determined that many of the existing school buildings of the City School District of the City of Syracuse (the “*SCSD*”) are in need of substantial reconstruction and rehabilitation in order to improve the quality of education in the City; and

**WHEREAS**, pursuant to Chapter 58 Part A-4 of the Laws of 2006 of the State, as amended from time to time, (collectively, the “*Syracuse Schools Act*”), each of the City and the SCSD have entered into an agreement pursuant to the charter of the City and have established a

Syracuse joint schools construction board (the “**JSCB**”) to act as the agent of the City and the SCSD; and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry in the City; and

**WHEREAS**, pursuant to the Syracuse Schools Act and other applicable legislation, design, reconstruction or rehabilitation of existing school buildings for their continued use as schools of the SCSD have been determined to be a qualified “project” under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency entered into negotiations with the JSCB acting on behalf of the SCSD and the City, for projects to be undertaken pursuant to the Comprehensive Syracuse District - Wide Reconstruction Master Plan of the SCSD’s public schools (the “**Program**”), to induce the Agency to commence with the financing of the design, reconstruction, rehabilitation and/or construction of certain existing public schools and additions thereto; and the acquisition and installation of certain equipment, fixtures and furnishing necessary and attendant thereto (collectively, the “**Facilities**”), including the sites listed in **Appendix D** attached hereto and made a part hereof; and

**WHEREAS**, at the request of the JSCB, acting on behalf of the District and the City, the Agency has determined to undertake a project (the “**Series 2018A Project**”) to issue its School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A in the aggregate principal amount of \$67,265,000 (the “**Series 2018A Bonds**”) pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency adopted on January 16, 2018 (the “**Bond Sale Resolution**”), and this Series 2018A Indenture to: (a) finance a portion of the costs of phase II of the Program (“**Phase II**”) including the reconstruction, renovation, rehabilitation and improvements at Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School; and (b) to pay permitted issuance costs, if any, costs of credit enhancement, if any, capitalized interest, if any and fund a debt service reserve fund, if any, all with respect to the Series 2018A Bonds; and

**WHEREAS**, the City currently has \$29,800,000 outstanding principal amount of bond anticipation notes which were issued in part to finance a portion of the Series 2018A Project (the “**BAN**”). \$14,800,000 of the BAN will mature on March 15, 2018 (the “**Matured BAN**”). On the Closing Date, \$7,417,430 of the proceeds of the Series 2018A Bonds will be used to redeem a portion of the Matured BAN; and; and

**WHEREAS**, the Agency has determined that the financing of a portion of the costs of the Phase II of the Program will assist the SCSD in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, the Agency’s Bond Sale Resolution, authorized the issuance of the Series 2018A Bonds to effect such financing and the acquisition of an interest in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency and the sale of the Agency’s interest in and to the Facilities to the City and the SCSD; and

**WHEREAS**, the City and the SCSD leased the Facilities to the Agency pursuant to a License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Agency, as licensee (the "**License Agreement**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017, (the "**Third Amendatory License Agreement**") as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**" and together with the License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Third Amendatory License Agreement, collectively, the "**License**"); and conveyed title to the equipment comprising of a portion of the Facilities to the Agency pursuant to a Bill of Sale to Agency, dated March 1, 2008 as amended by an Amendatory Bill of Sale dated as of December 1, 2010 and as further amended by a Second Amendatory Bill of Sale dated as of March 1, 2018 (collectively, the "**Bill of Sale**"); and

**WHEREAS**, the Agency has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, (the "**Original Agreement**") as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "**Fourth Amended Agreement**") and Amendment No. 5 to Installment Sale Agreement dated March 1, 2018 (the "**Fifth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, collectively the "**Installment Sale Agreement**" or "**Agreement**") as same may further be amended or supplemented from time to time, each between the Agency, the City, the JSCB and the SCSD; and

**WHEREAS**, the Agency has appointed the JSCB as its agent pursuant to the Installment Sale Agreement for purposes of completing the Series 2018A Project (as defined in the Installment Sale Agreement); and

**WHEREAS**, the SCSD, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the "**Depository Bank**"), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**" and together with the Depository Agreement, collectively, the "**State Aid Depository Agreement**"), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to the debt

service reserve fund established under the Indenture, if any, and the equivalent fund, if any, established under each other Series Indenture (as defined in the State Aid Depository Agreement) (excluding the Series 2010 Indenture and this Indenture under which no Debt Service Reserve Fund has been established), and the balance to the General Fund (also as defined therein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City and the SCSD shall fail to make a payment due under the Installment Sale Agreement or any other Series Facilities Agreement, the Agency (or the related Series Trustee acting on its behalf), shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state or school aid payable to the City or the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, it is contemplated that that the Agency will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, the Series 2018A Bonds, and the Trustee's Certificate to be endorsed thereon, are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[FORM OF FULLY REGISTERED SERIES 2018A BOND]

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A

Bond Date: March 15, 2018  
Maturity Date: \_\_\_\_\_ 1, \_\_\_\_\_  
Registered Holder: Cede & Co.  
Principal Amount:  
Interest Rate: \_\_\_\_\_ (\_\_\_\_%) per annum  
Bond Number: RA-  
CUSIP:

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency



of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2018A Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

**Payment of Principal.** The principal or Redemption Price of the Series 2018A Bonds shall be payable at the corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (said bank and any successor thereto under the Indenture (defined hereinbelow), the “*Trustee*”) and Paying Agent, or at the corporate trust office of any successor Paying Agent.

**Payment of Interest.** In the event the Holder of this bond shall not be DTC or its nominee, interest on this bond shall be payable to the person appearing on the registration books of the Trustee as the registered owner hereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2018A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2018A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the “*Special Record Date*”) which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2018A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

**Authorization and Purpose.** This bond is one of an authorized issue of bonds designated as “City of Syracuse Industrial Development Agency, School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A” (hereinafter called the “*Series 2018A Bonds*”) issued in the aggregate principal amount of \$67,265,000. The Series 2018A Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State, particularly the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, Chapter 641 of the 1979 Laws of New York, as amended (collectively, the “*Act*”), and Chapter 58 Part 4-A of the Laws of the State, and as may be amended

(collectively, the “**Syracuse Schools Act**”), and under and pursuant to a resolution adopted by the members of the Agency on January 16, 2018, authorizing the issuance of the Series 2018A Bonds, and under and pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (as the same may be amended or supplemented, the “**Indenture**”), made and entered into between the Agency and the Trustee the purpose of financing a portion the reconstruction, rehabilitation and/or construction of certain existing school buildings and additions thereto (collectively, the “**Facilities**”) within the City of Syracuse, New York (the “**City**”) of the City School District of the City of Syracuse, a school district of the State of New York (the “**SCSD**”). Pursuant to a Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 (the “**Fourth Amendatory License**”), amendatory of a License Agreement (Series 2008 Project), dated as of March 1, 2008 (the “**Original License**”) as previously amended by an Amendatory License Agreement (Series 2010 Project), dated as of December 1, 2010 (the “**Amendatory License**”), a Second Amendatory License Agreement (Series 2011 Project), dated as of July 1, 2011 (the “**Second Amendatory License Agreement**”) and a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017 (the “**Third Amendatory License Agreement**” and together with the Original License, the Amendatory License, the Second Amendatory License and the Third Amendatory License, and as the same may be further amended, modified or supplemented from time to time, collectively, the “**Amendatory License**”) each by and among the City, the SCSD and the Agency. The Agency has sold its interest in the Facilities to the City and the SCSD pursuant to Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of even date herewith (the “**Fifth Amended Agreement**”), amendatory of a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the “**Original Agreement**”) as previously amended by Amendment No. 1 to Agreement dated as of March 1, 2009 (the “**First Amended Agreement**”); and by Amendment No. 2 to Agreement (Series 2010 Project) dated as of December 1, 2010 (the “**Second Amended Agreement**”); and by Amendment No. 3 to Agreement (Series 2011 Project) dated as of July 1, 2011 (the “**Third Amended Agreement**”); and Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017 (the “**Fourth Amended Agreement**” and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, collectively, the “**Installment Sale Agreement**” as same may further be amended or supplemented), each between the Agency, the City, the SCSD and the Joint School Construction Board (the “**JSCB**”). The Installment Sale Agreement requires, among other things, the payment by the City and the SCSD of Installment Purchase Payments as scheduled payments equal to the principal of and interest on the Series 2018A Bonds and any Additional Bonds that were or may be issued under a Series Indenture (collectively, the “**Bonds**”) as the same become due, (the “**Installment Purchase Payments**”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

**Pledge and Security.** The obligation of the City and the SCSD to pay Installment Purchase Payments under the Installment Sale Agreement is executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement referred to below) appropriated by the State and available to the City and/or the SCSD, and budgeted by the SCSD and appropriated by the City and the SCSD for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof is incurred by the City and the SCSD beyond the amount of such moneys so available and appropriated, *provided, however,* that the failure of the City and the SCSD for any reason (including a failure by the

State to appropriate State Aid to Education or a failure by the City or the SCSD to budget and appropriate funds) to make an Installment Purchase Payment or an Additional Payment under the Installment Sale Agreement is deemed a failure to make a payment for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the Indenture. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD and neither the faith and credit nor the taxing powers of the City are pledged to the payment of Installment Purchase Payments. The obligations of the City and the SCSD under the Installment Sale Agreement to pay Installment Purchase Payments in any Fiscal Year of the City and the SCSD constitutes a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness or moral obligation of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State of New York (the “*State*”). The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time for the benefit of the SCSD, and budgeted and appropriated for such purpose by the City and the SCSD and, to the extent of any Installment Purchase Payment deficiency, state and/or school aid payable to the City or the SCSD received by the Trustee pursuant to the intercept by the State Comptroller.

Each of the SCSD, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the “*Depository Bank*”), have entered into a State Aid Depository Agreement dated as of March 1, 2008 (“*Depository Agreement*”) as previously amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the “*First Amendment to Depository Agreement*”, and together with the Depository Agreement, collectively the “*State Aid Depository Agreement*” as the same may be further amended or supplemented from time to time), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to a Debt Service Reserve Fund or equivalent fund, if any, established under any other Series Indenture (no such fund being established hereunder), and the balance to the General Fund (as defined in the State Aid Depository Agreement).

Copies of the Indenture, the Installment Sale Agreement, the License and the State Aid Depository Agreement are on file at the principal corporate trust office of the Trustee at One M & T Plaza, Buffalo, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Series 2018A Bonds, the charging and collection of Installment Purchase Payments for the Facilities, the custody and application of the proceeds of the Series 2018A Bonds, the rights and remedies of the holders of the Series 2018A Bonds, and the rights, duties and obligations of the Agency, the School Parties and the Trustee.

Pursuant to the Indenture, the Agency has assigned to the Trustee substantially all of its right, title and interest in and to the Installment Sale Agreement, including all rights to receive Installment Purchase Payments to pay the principal of and interest on the Series 2018A Bonds as

the same become due, all to be made by the City and the SCSD pursuant to the Installment Sale Agreement, and all executory only to the extent of State Aid to Education as provided above.

The Series 2018A Bonds are special obligations of the Agency and shall never constitute a debt of the State of New York nor of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Series 2018A Bonds be payable out of any funds of the Agency other than those pledged therefor. Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Series 2018A Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Trustee and the holders of the Series 2018A Bonds, and the terms upon which the Series 2018A Bonds are issued and secured.

**Additional Bonds.** As provided in the Indenture, Additional Bonds may be issued from time to time in one or more series for the purpose of financing the Facilities, providing funds to repair, relocate, replace, rebuild, or restore an affected Facility in the event of damage, destruction or taking by eminent domain, providing additions, rehabilitation or recreational facilities to one or more Facilities, or refunding outstanding Bonds. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

#### **Redemption of Series 2018A Bonds.**

(a) *General Optional Redemption.* The Series 2018A Bonds maturing on or prior to May 1, 2026 are not subject to optional redemption prior to the maturity thereof. The Series 2018A Bonds maturing on and after May 1, 2027 are subject to redemption, in whole or in part, at any time on or after May 1, 2026 (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by the City of its intention to prepay Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus in each case accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Series 2018A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2018A Project, or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) *Redemption Procedures.* If any of the Series 2018A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2018A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2018A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of

redemption shall have been given as aforesaid, the Series 2018A Bonds called for redemption shall become due and payable on the redemption date, *provided, however*, that with respect to any redemption of the Series 2018A Bonds as provided in paragraph (a) above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Series 2018A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem such Series 2018A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2018A Bonds so called for redemption at the place or places of payment, such Series 2018A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2018A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2018A Bond so affected, shall not affect the validity of the redemption of such Series 2018A Bond.

**Payments Due on Saturdays, Sundays and Holidays.** In any case where any payment date of principal or Redemption Price, if any, and/or interest on this bond shall be (i) a Saturday or Sunday, (ii) a day in which banks in the State of New York, or in the city in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed, then payment of such principal or Redemption Price, if any, and/or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

**Amendment of Indenture.** The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Agency and the rights of the holders of the Bonds at any time by the Agency with the consent of the Trustee, or, where so provided in the Indenture, the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder; provided, however, that if any such amendment or modification would affect only a single series of Bonds, then the consent of the holders of not less than a majority in aggregate principal amount of such series of Bonds at the time Outstanding thereunder shall instead be required. Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

**Book-Entry System.** The Series 2018A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One bond certificate with respect to each date on which the Series 2018A Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or its agent. The book-entry system will evidence positions held in the Series 2018A Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2018A Bonds in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Agency and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, redemption premium, if any, and interest on this bond, (ii) notices, and (iii) voting. Transfer of principal, and interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Redemption Price, and interest payments to Beneficial Owners of the Series 2018A Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Agency and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Agency, the Trustee and the Securities Depository.

**Denominations.** The Series 2018A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof.

**Exchange of Series 2018A Bonds.** The holder of this bond may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2018A Bonds of any of the authorized denominations of the same maturity and maturities as this bond or the Series 2018A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Series 2018A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2018A Bonds to be redeemed, or (ii) transfer or exchange any Series 2018A Bonds selected, called or being called for redemption in whole or in part.

**Transfer of Series 2018A Bonds.** This bond is transferable, as provided in the Indenture, only upon the books of the Agency kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new

fully registered Series 2018A Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, and interest due hereon and for all other purposes whatsoever.

**No Acceleration of Series 2018A Bonds.** In no event shall the principal of any Series 2018A Bond be declared due and payable in advance of its final stated maturity.

**Limitation on Bondholder Enforcement Rights.** The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

**Special Obligation of the Agency.** This bond and the issue of which it forms a part are special obligations of the Agency, payable by the Agency solely out of the Installment Purchase Payments, revenues or other receipts, funds or moneys of the Agency pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Series 2018A Bonds.

**Estoppel Clause.** It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

**No Personal Liability.** Neither the members, directors, officers or agents of the Agency nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

**Authentication by Trustee.** This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

**IN WITNESS WHEREOF**, City of Syracuse Industrial Development Agency has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman or Authorized Representative as of the Bond Date indicated above.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_



**(FORM OF CERTIFICATE OF AUTHENTICATION)**

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, of the issue described in the within-mentioned Indenture.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, Trustee**

By: \_\_\_\_\_  
Authorized Representative

Date of Authentication: \_\_\_\_\_

(FORM OF ASSIGNMENT)

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned sells, assigns and transfers unto

---

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
Attorney to transfer the such bond on the books kept for the registration thereof, with full power  
of substitution in the premises.

**DATED:**

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**NOTICE:** The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

**SIGNATURE GUARANTEED  
MEDALLION GUARANTEED**

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Authorized Representative  
(Signature Guarantee Program Name)

(Signature Guarantee must be a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)

**[END OF FORM OF SERIES 2018A BOND]**

**WHEREAS**, all things necessary to make the Series 2018A Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special obligations of the Agency according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the Installment Purchase Payment, revenues and receipts herein made to the payment of the principal of, redemption premium, if any, and interest on the Series 2018A Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Series 2018A Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:**

That the Agency in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Agency of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto Manufacturers and Traders Trust Company, as Trustee, and unto its respective successors in trust, and to their respective assigns, for the benefit of the Holders of the Bonds to the extent permitted by law, forever for the securing of the performance of the obligations of the Agency hereinafter set forth, the following:

## **GRANTING CLAUSES**

### **I**

All moneys and securities from time to time held by the Trustee under the terms of this Indenture including amounts set apart and transferred to the Project Fund, the Bond Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from such funds in accordance with the provisions of the Installment Sale Agreement and this Indenture (and when so disbursed, such amounts shall automatically be released from the assignment, pledge, lien and security interest of this Indenture); provided, however, there is expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund.

### **II**

All right, title and interest of the Agency in and to the Installment Sale Agreement, including all installment purchase payments, revenues and receipts payable or receivable thereunder, excluding, however, the Agency's Reserved Rights, which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally; provided, however, that no

exercise by the Agency of the Agency's Reserved Rights shall limit or restrict the rights of the Trustee or the Bondholders to exercise their rights and remedies under the Security Documents.

### III

All right, title and interest of the Agency in and to the State Aid to Education pursuant to the Syracuse Schools Act, subject, however: (i) to the right of the Agency or any other public entity to make any future pledges, of no greater priority than the pledge effected under this Indenture, of its respective right, title and interest in and to the State Aid to Education; and (ii) to the right of the Agency to receive state and/or school aid payable to the City or the SCSD, for application in the priority set forth in Section 5.4 hereof, in satisfaction of the Agency's Reserved Rights (which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally).

### IV

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Agency or by any other person, firm or corporation with or without the consent of the Agency, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund.

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others of the Bonds, except as otherwise expressly provided in this Indenture, provided, however, that if the Agency, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and any applicable redemption premium, of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof and shall make the payments into the Bond Fund as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee sufficient amounts, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

**THIS INDENTURE FURTHER WITNESSETH** that, and it is expressly declared, all the Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Agency has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and owners, from time to time of the Bonds or any part thereof, as follows, that is to say:

## **ARTICLE I DEFINITIONS**

**Section 1.1. Definitions.** Terms not otherwise defined herein shall have the same meanings as used in the Installment Sale Agreement, the State Aid Depository Agreement or in the Tax Compliance Documents or in **Appendix A** attached hereto and made a part hereof.

**Section 1.2. Construction.** In this Indenture, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Indenture, refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of the execution and delivery of this Indenture.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(e) Whenever the Agency is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Agency contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Agency, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

(f) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the Trustee, the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds any right, remedy

or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the Trustee, the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds.

**ARTICLE II**  
**AUTHORIZATION AND ISSUANCE OF BONDS**

**Section 2.1. Authorized Amount of Bonds; Pledge Effected by this Indenture.**

(a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the installment purchase payments, receipts and revenues derived from or in connection with the Facilities, including moneys which are required to be set apart, transferred and pledged to the Bond Fund or to certain special funds (including the investments, if any, thereof) (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal or Redemption Price, if any, and interest on, the Bonds. The Rebate Fund (including amounts on deposit therein) shall not be subject to any assignment, pledge, lien or security interest in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special obligations of the Agency and shall be payable by the Agency as to the principal or Redemption Price, if any, of the Bonds, and interest on the Bonds only from the Funds, special funds and installment purchase payments, revenues and receipts pledged therefor. The Bonds are additionally secured by a pledge and assignment of substantially all of the Agency's right, title and interest in and to the Installment Sale Agreement, including the Installment Purchase Payments payable thereunder. The Bonds shall never constitute a debt of the State nor the City, and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Agency other than those pledged therefor.

**Section 2.2. Issuance and Terms of the Series 2018A Bonds.**

(a) The Series 2018A Bonds in the aggregate principal amount of \$67,265,000 shall be issued under and secured by this Indenture. The Series 2018A Bonds shall be issuable in fully registered form without coupons and shall be dated as provided in Section 3.1 hereof.

(b) The Series 2018A Bonds shall mature on the dates and in the aggregate principal amounts, and shall bear interest on the unpaid principal amount thereof at the respective rates per annum on the Interest Payment Dates, all as shown below:

| Maturity Date | Principal Amount | Interest Rate | Maturity Date | Principal Amount | Interest Rate |
|---------------|------------------|---------------|---------------|------------------|---------------|
| 5/1/2020      | \$3,090,000      | 5.0%          | 5/1/2027      | \$4,385,000      | 5.0%          |
| 5/1/2021      | \$3,250,000      | 5.0%          | 5/1/2028      | \$4,610,000      | 5.0%          |
| 5/1/2022      | \$3,415,000      | 5.0%          | 5/1/2029      | \$4,845,000      | 5.0%          |
| 5/1/2023      | \$3,590,000      | 5.0%          | 5/1/2030      | \$5,095,000      | 5.0%          |
| 5/1/2024      | \$3,775,000      | 5.0%          | 5/1/2031      | \$5,355,000      | 5.0%          |
| 5/1/2025      | \$3,970,000      | 5.0%          | 5/1/2032      | \$5,630,000      | 5.0%          |
| 5/1/2026      | \$4,170,000      | 5.0%          | 5/1/2033      | \$5,920,000      | 5.0%          |
|               |                  |               | 5/1/2034      | \$6,165,000      | 3.25%         |

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2018A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) The Series 2018A Bonds shall be numbered from R-1 upward in consecutive numerical order. Series 2018A Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(d) The principal or Redemption Price of the Series 2018A Bonds shall be payable at the corporate trust office of the Trustee at Manufacturers and Traders Trust Company, Buffalo, New York, as Paying Agent, or at the corporate trust office of any successor Paying Agent.

(e) Interest on the Series 2018A Bonds shall be payable to the Person appearing on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2018A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request shall remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2018A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the “*Special Record Date*”) which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2018A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

(f) Each Series 2018A Bond shall bear interest from the Bond Date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2018A Bonds, such Series 2018A Bond shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Series 2018A Bond shall bear interest from and including such Interest Payment Date.

(g) The Series 2018A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof.

(h) Anything in the Series 2018A Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Agency hereunder and under the Series 2018A Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2018A Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2018A Bond would be contrary to the provisions of law applicable to such Holder which would limit the maximum rate of interest which may be charged or collected by such Holder of a Series 2018A Bond.

### **Section 2.3. Redemption of Series 2018A Bonds.**

(a) *General Optional Redemption.* The Series 2018A Bonds maturing on or prior to May 1, 2026 are not subject to optional redemption prior to the maturity thereof. The Series 2018A Bonds maturing on or after May 1, 2027 shall be subject to redemption, in whole or in part at any time on or after May 1, 2026 (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by an Authorized Representative of the City of its intention to prepay Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

(b) *Mandatory Redemption.* The Series 2018A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent: (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2018A Project; or (ii) moneys are transferred to the Bond Fund pursuant to Article V hereof or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) Redemption of Series 2018A Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.3 hereof in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.3(a) hereof at such times as are permitted under such



Section and in such principal amounts as the City shall request in a written notice to the Trustee in accordance with the Installment Sale Agreement.

(2) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.3(b) hereof on the dates specified therein, without the necessity of any instructions or further act of the School Parties.

(d) In the event of any redemption in part of the Series 2018A Bonds, in selecting Series 2018A Bonds for redemption, the Trustee shall treat each such Series 2018A Bond as representing that number of Series 2018A Bonds which is obtained by dividing the principal amount of such registered Bond by \$5,000 (referred to below as a “*unit*”) rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2018A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2018A Bond shall forthwith surrender such Series 2018A Bond to the Trustee for (y) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (z) delivery to such Holder of a new Series 2018A Bond or Bonds in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2018A Bond. New Series 2018A Bonds of the same maturity representing the unredeemed balance of the principal amount of such Series 2018A Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2018A Bond of a denomination greater than \$5,000 shall fail to present such Series 2018A Bond to the Trustee for payment and exchange as aforesaid, such Series 2018A Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

**Section 2.4. Delivery of Series 2018A Bonds.** The Series 2018A Bonds shall be executed in the form and manner set forth in this Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Series 2018A Bonds including the interest, if any, accrued on the Series 2018A Bonds to the date of delivery, the Series 2018A Bonds shall be delivered by the Trustee on behalf of the Agency to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

(a) a copy, duly certified by the Chairman, Vice Chairman, Secretary or Authorized Representative of the Agency, of the Bond Resolution;

(b) an original executed counterpart of all Security Documents;

(c) a written opinion by Barclay Damon LLP to the effect that the issuance of the Series 2018A Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for delivery the Series 2018A Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Agency of the purchase price therein specified, plus accrued interest, if any.

**Section 2.5. Execution of Bonds.** The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chairman, Vice Chairman or Authorized Representative of the Agency, and the seal of the Agency shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary of the Agency. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Agency nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 2.6. Authentication.** Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Bond in the recitals of this Indenture, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

**Section 2.7. Additional Bonds.**

(a) So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of: (i) financing Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a "project" under the Syracuse Schools Act and the IDA Act; or (iv) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture or a Series Indenture in connection therewith (except in the case of Refunding Bonds (as defined herein), the City, the SCSD and the Agency shall enter into an license agreement or lease agreement to grant an interest in the Facilities to the Agency or an amendment to the License, as applicable, and the Agency and each of the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as

to amortize in full the principal of and interest on the Bonds, including such Series of Additional Bonds. In addition, each of the School Parties and the Agency shall enter into an amendment to the Tax Compliance Documents.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary of the Agency, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture or Series Indenture and any amendments of or supplements to the Tax Certificate, the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture or Series Indenture and an amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture or Series Indenture, the License and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License, as applicable, and sold under the Installment Sale Agreement, shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Bonds now being issued and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Arbitrage and Use of Proceeds Certificate and the Installment Sale Agreement continue in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) to the extent applicable those documents required under the Installment Sale Agreement;

(6) an original, executed counterpart of the amendment, if any, to the Tax Compliance Documents; and

(7) a written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

(c) (1) Upon the request of the JSCB, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund (“*Refunding Bonds*”) all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.7 of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.2 hereof.

(2) Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.7(b) hereof, as may be applicable) of:

(A) Irrevocable instructions from the Agency to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.3 hereof to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Section 10.1 hereof, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in said Section 10.1.

(3) The City shall furnish to the Trustee and the Agency at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2018A Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) Notwithstanding anything herein to the contrary no Series of Additional Bonds shall be issued unless the State Aid Depository Agreement, the Tax Compliance Documents and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default. Each Series of Additional Bonds shall be designated by name and by Series and shall have separate funds and accounts.

**Section 2.8. Limitation of Agency's Liability.** Anything in this Indenture, the Bonds, the Installment Sale Agreement or any other Project Document to the contrary notwithstanding, any obligations of the Agency under this Indenture or the Bonds or under the Installment Sale Agreement or under any other Project Document or related document for the payment of money shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be a special obligation of the Agency secured and payable solely as provided in this Indenture.

**Section 2.9. Book-Entry Bonds.**

(a) Except as provided in subsection (c) below, the Holder of all of the Series 2018A Bonds shall be DTC (the "*Securities Depository*") and the Series 2018A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Series 2018A Bonds registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Series 2018A Bonds at the address indicated for Cede & Co. in the registration books of the Agency kept by the Trustee. It is anticipated that during the term of the Series 2018A Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, Redemption Price of and interest on the Series 2018A Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in paragraph (c) below.

(b) The Series 2018A Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity of the Series 2018A Bonds. Upon initial issuance, the ownership of such Series 2018A Bonds shall be registered in the registration books of the Agency kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Agency shall treat DTC (or its

nominee) as the sole and exclusive Holder of the Series 2018A Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Series 2018A Bonds, selecting the Series 2018A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2018A Bonds under this Indenture, registering the transfer of Series 2018A Bonds, obtaining any consent or other action to be taken by Holders of the Series 2018A Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the School Parties, nor the Agency shall be affected by any notice to the contrary. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Agency shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2018A Bonds under or through DTC or any Participant, or any other Person which is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2018A Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2018A Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of, redemption premium, if any, and interest on the Series 2018A Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Agency’s obligations with respect to the principal of, and redemption premium, if any, and interest on the Series 2018A Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Series 2018A Bonds certificate evidencing the obligation of the Agency to make payments of principal of, and redemption premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Bonds, the word “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Agency determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2018A Bonds certificates, the Agency may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Series 2018A Bonds certificates. In such event, the Trustee shall issue, transfer and exchange Series 2018A Bonds certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Series 2018A Bonds at any time by giving written notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Agency and the Trustee shall be obligated to deliver Series 2018A Bonds certificates as described in this Indenture. In the event Series 2018A Bonds certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, redemption premium, if any, and interest on such certificates. Whenever DTC requests the Agency and the Trustee to do so, the Agency will direct the Trustee (at the sole cost and expense of the SCSD) to cooperate with DTC in taking appropriate action after reasonable notice: (i) to make available one or more separate certificates evidencing the Series 2018A Bonds to any DTC Participant having Series 2018A Bonds credited

to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2018A Bonds.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2018A Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and redemption premium, if any, and interest on such Series 2018A Bonds and all notices with respect to such Series 2018A Bonds shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Security Document by the Agency or the Trustee with respect to any consent or other action to be taken by Bondholders, the Agency or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(f) NEITHER THE AGENCY, THE SCHOOL PARTIES NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2018A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2018A BONDS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2018A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE SERIES 2018A BONDHOLDERS OR REGISTERED HOLDERS OF THE SERIES 2018A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2018A BONDS.

(g) For so long as the Holder of all of the Series 2018A Bonds shall be DTC, and all Series 2018A Bonds shall be registered in the name of Cede & Co. as nominee for DTC, only DTC may tender Series 2018A Bonds upon redemption or retirement.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City, with the consent of the Agency, which shall not be unreasonably withheld, may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which

is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Series 2018A Bond or Bonds for cancellation shall cause the delivery of Series 2018A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

### **ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS**

**Section 3.1. Date of Bonds.** The Series 2018A Bonds shall be dated their original date of issuance (subject to the provisions set forth below with respect to transfers and exchanges). Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; *provided that* if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

**Section 3.2. Form and Denominations.** Bonds shall be issued in fully registered form, without coupons, in the minimum denomination of \$5,000 and any integral multiple thereof not exceeding the aggregate principal amount of Bonds of the same series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.3 hereof, the Bonds shall be in substantially the form set forth in the recitals to this Indenture, with such variations, omissions and insertions as are permitted or required by this Indenture.

**Section 3.3. Legends.** Each Bond shall contain on the face thereof a statement to the effect that “THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR.” The Bonds may in addition contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Agency prior to the delivery thereof.

**Section 3.4. Medium of Payment.** The principal or Redemption Price, if any, of, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.2 hereof.



**Section 3.5. Bond Details.** Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, and interest at such place or places as shall be specified in this Indenture. All Bonds of a Series maturing in any particular year shall bear interest at the same rate or rates per annum.

**Section 3.6. Interchangeability, Transfer and Registry.**

(a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Agency, which shall be kept for the purpose at the principal office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, upon presentation thereof together with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed. Upon the transfer of any Bond, the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

(b) Any Bond, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity of any other authorized denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(c) The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent shall deem and treat the Person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Agency, the School Parties, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

**Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the Agency shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and unpaid principal

amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Agency and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Agency) satisfactory to the Trustee and to the Agency and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Agency and the Trustee may incur. All Bonds so surrendered to the Trustee shall be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Agency whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Agency may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

**Section 3.8. Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

**Section 3.9. Requirements With Respect to Transfers.** In all cases in which the privilege of transferring Bonds is exercised, the Agency shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Agency or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

**Section 3.10. Bond Registrar.** The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the City and the SCSD for its inspection during normal business hours the registration books for the Bonds, as may be requested by the City and the SCSD in connection with any purchase or tender offer by one or both of them with respect to the Bonds.

**ARTICLE IV  
APPLICATION OF BOND PROCEEDS**

**Section 4.1. Application of Proceeds of Series 2018A Bonds.** Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018A Bonds of \$76,401,497.31 (representing the par amount of the Series 2018A Bonds of \$67,265,000.00, plus \$9,532,508.65 of net original issue premium, less Underwriter's discount of \$396,011.34), including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(a) \$3,671,325.48 of the proceeds of the Series 2018A Bonds, representing capitalized interest, shall be deposited in the Interest Account of the Bond Fund<sup>1</sup>;

(b) \$72,730,171.83, representing the balance of the proceeds of the Series 2018A Bonds shall be deposited in the Project Fund of which \$1,313,644.32 will be used on the Closing Date to pay Costs of Issuance, Bond Issuance Charge and Issuer fee; \$7,417,430.00 will be paid on the Closing Date to the City to partially refund the Matured BAN (maturing on March 15, 2018); and the balance will be used for Project Costs.

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<sup>1</sup> SCSD will cause capitalized interest in the amount of \$1,627,681.25, due in November 2019, to be paid to the Trustee from available funds under the State Aid Depository Agreement.

**ARTICLE V  
CUSTODY AND INVESTMENT OF FUNDS**

**Section 5.1. Creation of Funds and Accounts.**

(a) The Agency hereby establishes and creates the following special trust Funds and Accounts comprising such Funds:

- (1) Project Fund
- (2) Bond Fund
  - (A) Principal Account
  - (B) Interest Account
  - (C) Redemption Account
- (3) Rebate Fund

(b) All of the Funds and Accounts created hereunder shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, shall be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of this Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien hereof (except moneys deposited in the Rebate Fund).

(c) The amounts deposited in the Funds and Accounts (except the Rebate Fund) created hereunder shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided herein.

**Section 5.2. Project Fund.**

(a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Sections 4.1, 5.5 and 5.7 hereof or otherwise required to be deposited therein pursuant to the Installment Sale Agreement or this Indenture. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided herein. The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the School Parties or the Agency, of Project Costs.

(b) The Trustee is hereby authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB. Such

requisition shall be as set forth in the Form of Requisition from the Project Fund attached hereto and made a part hereof at **Appendix B**. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom including the date, dollar amount and description of each item for which a disbursement is made, and shall furnish copies of same to the Agency or the School Parties upon reasonable written request.

(c) The Trustee shall on written request furnish to the Agency and the School Parties within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(d) The completion of the Series 2018A Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB in accordance with Section 3.1(j) of the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(e) In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(f) All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Documents and Section 5.11 hereof, shall be maintained within the Project Fund and made available for Project Costs.

(g) Upon the occurrence and during the continuance of an Event of Default, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, shall be deposited in the Bond Fund to be applied toward redemption of the Bonds.

(h) Proceeds of insurance, condemnation awards or conveyance of one or more of the Facilities in lieu of condemnation deposited in the Project Fund pursuant to Section 5.6 of the Installment Sale Agreement shall be disbursed in accordance with this Section 5.2 to pay costs of replacement, repair, rebuilding or relocation of the affected Facility pursuant to Section 5.6 of the Installment Sale Agreement or to payment of Project Costs as shall otherwise be approved by Nationally Recognized Bond Counsel and permitted under the Syracuse Schools Act or after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof, transferred to the Bond Fund as provided herein if the applicable Series of Bonds are to be redeemed pursuant to Section 2.3(b) hereof.

**Section 5.3. Payments into Bond Fund.** On or before November 10 of each Fiscal Year, commencing November 10, 2018, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (as defined in Section 202(e) of the State Aid Depository Agreement) (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository Bank, the Collecting Officer and the Commissioner of Finance. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds from the Series 2018A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1 (a) hereof. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Depository Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Installment Purchase Payments and available for the payment of principal of the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) The excess amounts referred to in the fourth sentence of Section 5.6(c) hereof, which shall be credited to the Interest Account of the Bond Fund.

(g) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(h) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 hereof), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the applicable Series of Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the related Series of Bonds.

(i) All other receipts when and if required by the State Aid Depository Agreement, by the Installment Sale Agreement, by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 hereof) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) hereof.

In the event that any Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

**Section 5.4. State or School Aid Intercept.** Pursuant to the Syracuse Schools Act, in the event the City or the SCSD shall fail (for any reason, including the failure of the State to appropriate moneys for such purpose or the failure of the SCSD and the City to budget and appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, as set forth therein and herein, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Agency hereby irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in **Appendix C** attached hereto), by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such state and/or school aid so withheld. In the event that the State Comptroller should receive more than one such certificate from one or more Series Trustee, the Comptroller shall disburse such amounts so withheld on a *pari passu* basis with respect to any and all outstanding Series of Bonds. All such state and/or school aid so received shall be applied, *first*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *second*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to satisfy any obligation of the SCSD under Section 4.3 of the

Installment Sale Agreement, *fifth*, to satisfy any obligation of the JSCB or the SCSD under Section 5.5 of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of any of the School Parties under the Installment Sale Agreement.

The appointment by the Agency of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Agency may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee hereby accepts such agency and agrees so to act on behalf of the Agency. Notwithstanding anything to the contrary contained herein, any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Agency.

The Agency covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of under the Syracuse Schools Act of state and/or school aid payable to the City or SCSD than the pledge effected pursuant to this Indenture; provided, however, that nothing contained in this Indenture shall be deemed (y) to limit or deny the ability of the Agency or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under this Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under this Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

**Section 5.5 Reserved.**

**Section 5.6. Application of Bond Fund.**

(a) The Trustee shall: (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds; and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

(c) Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series



as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than \$5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with Section 10.1 hereof) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.2 hereof. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

(d) Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

(e) In the event of the issuance of a Series of Refunding Bonds pursuant to Section 2.7 hereof, the Trustee shall, upon the written direction of the City, withdraw from the specified Accounts of the Bond Fund those amounts deposited in each such Account so specified held for the payment of the principal, Sinking Fund Installments, Redemption Price and interest on the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless: (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to Section 10.1 hereof; and (ii) the amount remaining in each Account of the Bond Fund after such withdrawal shall not be less than that amount otherwise then required to be on deposit in each such Account to pay the principal, Sinking Fund Installments, Redemption Price and interest of those Series of Bonds or principal portions thereof not being refunded.

#### **Section 5.7. Investment of Funds and Accounts.**

(a) Amounts in the Bond Fund, the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments. Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the City. Any investment hereunder shall be made in accordance with the Tax Compliance Documents, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund.

Net income or gain received and collected from such investments shall in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable, subject however to Section 5.11 hereof.

(b) Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such Installment Purchase Payment and the amount then available in the Project Fund and in each Account of the Bond Fund.

(c) Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with this Section 5.7(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

(d) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(e) Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by this Section 5.7 shall at all times be subject to the provisions of applicable law, as amended from time to time.

**Section 5.8. Moneys to Be Held in Trust.** All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien hereof. Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund in accordance with the State Aid Depository Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien hereof.

**Section 5.9. Repayment to the City for Benefit of SCS D from the Funds.** After payment in full of the Bonds (in accordance with Section 10.1 hereof) and the payment of all fees, charges and expenses of the Agency, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid hereunder and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to this Indenture and the Tax Compliance Documents, all amounts remaining in the Project Fund and the Bond Fund shall be paid to the City for the benefit of the SCS D upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

**Section 5.10. Non-presentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Agency to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or the applicable statutory escheat period shall be paid to the City for the benefit of the SCS D. After the payment of such unclaimed moneys to the City, the Holder of such Bond shall thereafter look only to the City for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

**Section 5.11. Payments into Rebate Fund; Application of Rebate Fund.**

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

(b) The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Documents, shall deposit in the Rebate Fund that amount from the Project Fund as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Documents. In the case of the Project Fund, the City shall so direct the Trustee no less frequently than quarterly, until the Trustee shall receive the Project Fund Sufficiency Certificates

as to all funded Accounts of the Project Fund and no less frequently than semi-annually thereafter.

(c) In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined in accordance with the Tax Compliance Documents, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it (i) to any Account of the Project Fund with respect to which no Project Fund Sufficiency Certificate shall yet have been delivered, or (ii) to the Interest Account of the Bond Fund, as the City shall determine.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund: (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Requirement with respect to such Series of Bonds as of the date of such payment; and (ii) notwithstanding the provisions of Section 10.1 hereof, not later than thirty (30) days after the date on which all Bonds have been paid in full, one hundred percent (100%) of the Rebate Requirement as of the date of payment.

(e) The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

## ARTICLE VI REDEMPTION OF BONDS

**Section 6.1. Privilege of Redemption and Redemption Price.** Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in Section 2.3 of this Indenture and in said Bonds.

**Section 6.2. Selection of Bonds to Be Redeemed.** In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of a Series of Bonds in accordance with Section 2.3(b) hereof, the Authorized Representative of the City shall select the Bonds to be redeemed only (x) in inverse order of maturity, or (y) proportionately to each Outstanding maturity of such Series of Bonds. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for: (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption; and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

**Section 6.3. Notice of Redemption.** When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Agency, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each 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. Such notice may set forth any

additional information relating to such redemption. The Trustee, in the name and on behalf of the Agency: (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to Electronic Municipal Market Access (“*EMMA*”) or, if EMMA is no longer operational, another similar national information service that disseminates redemption notices. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion.

If notice of redemption shall have been given as aforesaid, the Bonds of such Series called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds of a Series, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds of such Series to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem the Bonds of such Series. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Bonds of such Series so called for redemption at the place or places of payment, such Series of Bonds shall be redeemed.

#### **Section 6.4. Payment of Redeemed Bonds.**

(a) Notice having been given in the manner provided in Section 6.3 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date: (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable; (ii) the Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under this Indenture; and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in Section 6.5 hereof; provided, however, that any Holder of at least \$1,000,000 in aggregate principal amount of Bonds may, by written request to the Trustee, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable in federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

**Section 6.5. Cancellation of Redeemed Bonds.**

(a) All Bonds redeemed in full under the provisions of this Article, or purchased in lieu of mandatory redemption, shall forthwith be cancelled and destroyed and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.2 hereof, the Agency shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

**Section 6.6 No Partial Redemption After Default.** Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption pursuant to Section 2.3(b) hereof unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of proceeds described in Section 2.3(b) hereof shall not have an adverse effect on the tax-exempt status of interest on the Bonds.

## ARTICLE VII PARTICULAR COVENANTS

**Section 7.1. Agency's Obligations Not to Create a Pecuniary Liability.** Each and every covenant herein made, including all covenants made in the various sections of this Article VII, is predicated upon the condition that any obligation for the payment of money incurred by the Agency shall not create a debt of the State nor the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor but shall be payable by the Agency solely from the Installment Purchase Payments pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Installment Sale Agreement, in this Indenture or in any other Project Document shall be considered as pledging any other funds or assets of the Agency.

**Section 7.2. Payment of Principal and Interest.** The Agency covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon or hereunder against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor. The Agency shall not be required under this Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

**Section 7.3. Performance of Covenants; Authority.** The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Agency covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act and the Syracuse Schools Act, to issue the Bonds authorized hereby and to execute this Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Agency according to the import thereof.



**Section 7.4. Books and Records; Certificate as to Defaults.** The Agency and the Trustee each covenants and agrees that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Series 2018A Project and the Facilities, and that the School Parties and the Holders of any of the Bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Installment Sale Agreement is in full force and effect, records furnished by the Agency, and the School Parties to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Agency's obligations under this Section 7.4. Within thirty (30) days after receiving the certificate from School Parties as provided in Section 7.16(a) of the Installment Sale Agreement, the Trustee shall render to the Agency and the City a statement that moneys received by the Trustee pursuant to the Installment Sale Agreement were applied by it to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture or the Installment Sale Agreement or any other Security Document or specifying the particulars of such known defaults which may exist.

**Section 7.5. The Installment Sale Agreement.** It is understood and agreed that the Agency's interest in the Facilities has been sold to the City under the License and the SCSD under the Installment Sale Agreement. An executed copy of the Installment Sale Agreement will be on file in the office of the Agency and in the principal corporate trust office of the Trustee. Reference is hereby made to the Installment Sale Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the School Parties under the Installment Sale Agreement shall be enforceable either by the Agency or by the Trustee, to whom, in its own name or in the name of the Agency, is hereby granted the right, to the extent provided therefor in this Section 7.5 and subject to the provisions of Section 9.2 hereof, to enforce all rights of the Agency and all obligations of the School Parties under the Installment Sale Agreement, whether or not the Agency is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Installment Sale Agreement upon compliance or noncompliance by the School Parties and the Agency to the same.

**Section 7.6. Creation of Liens; Indebtedness; Sale of Facilities.** Except to the extent contemplated in the last paragraph of Section 5.4 hereof with respect to the issuance of Project Bonds under a Series Indenture other than this Indenture, the Agency shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by this Indenture, the Pledge and Assignment, and the Installment Sale Agreement. The Agency further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under this Indenture and the Installment Sale Agreement, so long as any of the Bonds are Outstanding. The Agency shall have no pecuniary liability for its covenants set forth in this Indenture, including under this Section 7.6.

**Section 7.7. Instruments of Further Assurance.** The Agency covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and

delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property described herein, subject to the liens, pledge and security interests of this Indenture and the Installment Purchase Payments pledged hereby to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien, pledge and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Agency or the Trustee, become and be subject to the liens, pledge and security interests of this Indenture as fully and completely as though specifically described herein and therein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Agency heretofore made by this Section 7.7.

**Section 7.8. Recording and Filing.** The Pledge and Assignment shall be recorded and filed by the Agency in the appropriate office of the Clerk of Onondaga County, New York or in such other office as may be at the time provided by law as the proper place for the recordation thereof. The security interest of the Trustee created by this Indenture in the property, rights and interests herein and therein described, shall be perfected by the filing by the Agency in the office of the Secretary of State of the State in the City of Albany, New York, and in the office of such Clerk, of financing statements which fully comply with the New York State Uniform Commercial Code-Secured Transactions. This Indenture and the Pledge and Assignment shall be re-recorded, re-filed and re-indexed at the written direction of the City whenever in the Opinion of Counsel such action is necessary to preserve the lien and security interest hereof; and in addition, such financing or continuation statements as in the Opinion of Counsel become necessary to preserve the lien and security interest of this Indenture shall be filed by the Trustee at the written direction of the City in said office of the Secretary of State and in the office of such Clerk. Any such re-recordings, re-indexings, filings or re-filings shall be prepared by the City and accompanied with any fees or requisite charges.

The Agency and the Trustee mutually covenant and agree to take such action (including, as applicable, the filing of all New York State Uniform Commercial Code-Secured Transactions financing statements and continuation statements thereof) in accordance with the aforesaid direction of the City as shall be necessary from time to time to preserve the priority of the pledge by the Indenture of the Trust Estate under applicable law. Any action taken by the Agency under this Section 7.8 shall be taken only upon the request of the Trustee and at no cost to the Agency.

All costs (including reasonable attorneys' fees) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the City and/or the SCSD.

**Section 7.9. Records Held by the Trustee.** Upon reasonable written request, the Trustee shall make available to the School Parties for its inspection during normal business hours, its records with respect to the Series 2018A Project and the Facilities.

**Section 7.10. Agency Tax Covenant.** The Agency covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in

gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Agency and the only remedy to which the Agency shall be subject shall be specific performance.

**Section 7.11. Annual Report of Trustee.** Within thirty (30) days after the end of each calendar year, the Trustee shall deliver to the Agency a statement of the payment status of the Bonds effective as of February 28 of the calendar year just ended, which statement shall include the then current principal balance of the Bonds, the interest rate accruing thereon, an amortization schedule for the repayment of the balance of the Bonds and such other information as the Agency may reasonably require.

## **ARTICLE VIII EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS**

### **Section 8.1. Events of Default; No Acceleration of Due Date.**

(a) Each of the following events is hereby defined as and shall constitute an “Event of Default”:

(1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Agency to observe or perform any covenant, condition or agreement in the Bonds or hereunder on its part to be performed (except as set forth in Section 8.1(a)(1) or (2) hereof) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Agency and the School Parties of written notice specifying the nature of such default from the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Agency or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; and

(4) The occurrence of an “Event of Default” under Section 8.1(c) of the Installment Sale Agreement.

(b) In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) In determining whether any event constitutes an Event of Default under clauses (1) or (2) of Section 8.1(a) above, no effect shall be given to payments made under the Bond Insurance Policy.

## **Section 8.2. Enforcement of Remedies.**

(a) Subject to Section 8.1(b) hereof, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Syracuse Schools Act, the Bonds, the Installment Sale Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or in the IDA Act or the Syracuse Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

(b) In the enforcement of any right or remedy under this Indenture, under any other Security Document, under the IDA Act or under the Syracuse Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Agency, for principal, interest, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Agency, but solely as provided in this Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Agency or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture

or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

**Section 8.3. Application of Revenues and Other Moneys After Default.**

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.4 hereof, as follows:

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

*Second:* To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this Section 8.3(a), *second*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Documents, *third*, to satisfy any obligation of the SCSD under Section 4.3 of the Installment Sale Agreement, *fourth*, to satisfy any obligation of the JSCB and the SCSD under Section 5.5 of the Installment Sale Agreement, and *fifth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing contained in this Section 8.3 shall be deemed to modify the application of state and/or school aid payable to the City or the SCSD pursuant to Section 5.4 hereof.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall

determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 8.4. Actions by Trustee.** All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.3 hereof, be for the equal benefit of the Holders of the Outstanding Bonds.

**Section 8.5. Majority Bondholders Control Proceedings.** The Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**Section 8.6. Individual Bondholder Action Restricted.**

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of this Indenture or of any other Security Document or the execution of any trust under this Indenture or for any remedy under this Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in this Article, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or in such other Security Document or by the IDA Act or the Syracuse Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and, subject to the provisions of Sections 8.3 and 8.5 hereof, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

(b) Nothing in this Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Agency to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

**Section 8.7. Effect of Discontinuance of Proceedings.** In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Agency, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

**Section 8.8. Remedies Not Exclusive.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

**Section 8.9. Delay or Omission.** No delay or omission of the Trustee, of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee, the Bond Insurer and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee, by the Bondholders.

**Section 8.10. Notice of Default.** The Trustee shall promptly mail to the Agency, to registered Holders of Bonds and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

**Section 8.11. Waivers of Default.** The Trustee shall waive any default hereunder and its consequences only upon the written request of the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Agency, the Trustee and the Bondholders shall be

restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.



**ARTICLE IX  
TRUSTEE AND PAYING AGENTS**

**Section 9.1. Appointment and Acceptance of Duties.**

(a) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Installment Sale Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Installment Sale Agreement and each such other Security Document.

(b) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Paying Agent for the Bonds. The Agency may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.9 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Agency, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Agency for the payment of the principal or Redemption Price, if any, of, and interest on the Bonds.

**Section 9.2. Indemnity.** The Trustee shall be under no obligation to institute any suit, or to take any remedial action under this Indenture or under any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or gross negligence.

**Section 9.3. Responsibilities of Trustee.**

(a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Agency, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of any interest in or the value of the Facilities, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of this Indenture or any other document or instrument whatsoever except as otherwise provided in Section 7.8 hereof. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Agency and not by the Trustee, and the Trustee does not assume any responsibility for the

correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds.

(b) The Trustee shall not be liable or responsible because of the failure of the Agency to perform any act required of it by this Indenture or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depository other than itself in which such moneys shall have been deposited under this Indenture or the Tax Compliance Documents. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Compliance Documents or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Installment Sale Agreement, under this Indenture or the Tax Compliance Documents or under any other Security Document except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Installment Sale Agreement or any other Security Document, (ii) an officer in the corporate trust department of the Trustee has actual knowledge thereof, or (iii) a Responsible Officer of the Trustee has received written notice thereof from the City and/or the SCSD, the Agency or any Bondholder.

(d) The Trustee shall execute all instruments required by it by Section 7.8 hereof at the expense of the SCSD.

(e) The Trustee shall prepare and deliver to the Depository Bank each certificate required of the Trustee pursuant to Sections 202(e) and 202(f) of the State Aid Depository Agreement. The Trustee shall otherwise comply with and perform the requirements imposed on the Trustee under the State Aid Depository Agreement.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.4 of this Indenture, make annual reports to the Agency and the School Parties of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Installment Sale Agreement or this Indenture or under any other Security Document.

(g) In performing its duties and obligations under the Tax Compliance Documents, the Trustee shall not be required to make any payment of a Rebate Requirement or any transfer of funds or take any other action required to be taken thereunder except upon the

receipt of a written certificate of direction of an Authorized Representative of the City delivered to the Trustee in accordance with the terms of the Tax Compliance Documents. Notwithstanding any provision of the Tax Compliance Documents or any other Security Document, nothing in the Tax Compliance Documents, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Compliance Documents to effect compliance with the Code.

**Section 9.4. Compensation.** The Trustee, the Bond Registrar and the Paying Agents shall be entitled to receive and collect from the City and/or the SCSD as provided in the Installment Sale Agreement payment or reimbursement for reasonable fees for all services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or the Paying Agents in connection therewith. Upon and following an Event of Default, but only while there remains an Event of Default that has not been cured or waived, the Trustee, the Bond Registrar and the Paying Agents shall have a first right of payment prior to payment on account of the principal of or interest on any Bonds, upon the revenues (but not including any amounts derived from the Bond Insurance Policy or held by the Trustee under Sections 5.4, 10.1 or 13.2 hereof) for the foregoing advances, fees, costs and expenses incurred.

**Section 9.5. Evidence on Which Trustee May Act.**

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture (except for the Trustee's own willful misconduct, unlawful conduct or gross negligence), upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the City and/or the SCSD, and upon the written opinion of any attorney (who may be an attorney for the Agency or an employee of the City and/or the SCSD), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

**Section 9.6. Trustee and Paying Agents May Deal in Bonds.** Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

**Section 9.7. Resignation or Removal of Trustee.** The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Agency, to the School Parties and to the Holders of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Agency and the School Parties. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

**Section 9.8. Successor Trustee.**

(a) If at any time the Trustee shall resign or shall be removed effective prior to the appointment and acceptance of a successor Trustee, be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the School Parties shall cooperate with the Agency and the Agency shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Agency shall notify in writing the School Parties and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Agency, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.8, within 120 days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Agency or any retiring Trustee or the School Parties may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other

Security Document. At the time of its appointment, any successor Trustee shall (y) have a capital stock and surplus aggregating not less than \$100,000,000, and (z) have an investment grade rating (y) if the Bonds are rated by Moody's, of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be otherwise acceptable to S&P. Any entity acting as successor Trustee shall also act as Depository Bank under the State Aid Depository Agreement.

(d) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Agency, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Agency, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Agency. Any successor Trustee shall promptly notify other Notice Parties of its appointment as Trustee.

(e) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

#### **Section 9.9. Resignation or Removal of Paying Agent; Successor.**

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' prior written notice to the other Notice Parties. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Agency. Any successor Paying Agent shall be appointed by the Agency, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least \$40,000,000, having an investment grade rating (y) if the Bonds are rated by Moody's of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be otherwise acceptable to S&P, and willing and able to accept the office on

reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

**Section 9.10. Appointment of Co-Trustee.**

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any such documents on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee at the expense of the City and the SCSO. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Agency be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

**Section 9.11. Approvals or Consents by Trustee.** The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding.

**Section 9.12. Notice to Rating Agencies.** The Trustee shall provide the rating agencies, if the Bonds should be rated, with written notice, if possible, in advance or, if impossible,

promptly following, the effective date of (i) the appointment of any successor Trustee, (ii) any amendments to the Security Documents, or (iii) the redemption in whole or other payment in full of the Bonds. The Trustee agrees to inform the rating agencies of the above as a matter of courtesy and accommodation. However, the Trustee shall have no liability or obligation to the rating agencies or to any other Person in the event that it should fail to furnish any such information.

**ARTICLE X  
DISCHARGE OF INDENTURE**

**Section 10.1. Defeasance.**

(a) If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Installment Sale Agreement and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Documents or this Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Agency to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the SCSD or on its order all moneys or securities held by them pursuant to this Indenture which are not required: (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption; (ii) for the payment of all such other amounts due or to become due under the Security Documents; or (iii) for the payment of any amounts to the federal government under the Tax Compliance Documents or this Indenture.

(b) Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if: (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice; and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other

amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

(c) Prior to any defeasance becoming effective as provided in Section 10.1(b) above, there shall have been delivered to the Agency and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Agency and the Trustee and to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer “Outstanding” under the Indenture, (B) a verification report from an independent certified public accountant or firm of independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Agency and to the Trustee and to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable, (C) an escrow deposit agreement (reasonably acceptable to the Agency and the Trustee and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased.

No provision of this Section 10.1, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Sections 3.6, 3.7, 3.9 or 5.4 hereof until such Bonds shall have been paid in full.

## **ARTICLE XI AMENDMENTS OF INDENTURE**

**Section 11.1. Limitation on Modifications.** This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

### **Section 11.2. Supplemental Indentures Without Bondholders’ Consent.**

(a) The Agency and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders, for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in this Indenture or in any description of property subject to the lien hereof, if such action is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(3) To add to the covenants and agreements of the Agency in this Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.



(4) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of this Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.

(7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with this Indenture.

(8) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.

(10) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(11) To permit the appointment of a co-trustee under this Indenture.

(b) Before the Agency and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Notice of the proposed Supplemental Indenture shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

### **Section 11.3. Supplemental Indentures With Consent of Bondholders .**

(a) Subject to the terms and provisions contained in this Article, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Agency and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any

particular, any of the terms or provisions contained herein; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of, (y) the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding, shall be required. Nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by this Indenture, except as provided in this Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this Section 11.3(a), without, in the case of items (ii) through and including (v) of this Section 11.3(a), the written consents of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Agency shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

(c) Within one year after the date of such notice, the Agency and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Holders of not less than a majority or 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, then only the written consent of (y) the written consents of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding) and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with this Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds 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 Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

(d) The Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Agency from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Agency, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.

**Section 11.4. Supplemental Indenture Part of this Indenture.** Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Sections 11.2 or 11.3 hereof.

**Section 11.5. Rights of School Parties.** Anything herein to the contrary notwithstanding, any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

## **ARTICLE XII AMENDMENTS OF RELATED SECURITY DOCUMENTS**

**Section 12.1. Amendments of Related Security Documents Not Requiring Consent of Bondholders.** Subject to Section 12.2 hereof, the Agency and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or

other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Agency or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding. Notice of the propose amendment, change or modification to any of the Related Security Documents shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

**Section 12.2. Amendments of Related Security Documents Requiring Consent of the Bondholders.** Except as provided in Section 12.1 hereof, the Agency and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as in Section 11.3 hereof set forth (or, if such amendment, change or modification shall only affect one Series of Bonds, the consent of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding, provided, however, there shall be no amendment, change or modification to (i) the obligation of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), without the prior written approval of the Holders of one hundred percent (100%) in aggregate principal amount of the Bonds at the time Outstanding given and procured as in Section 11.03 hereof provided (or, if such amendment, change or modification shall affect only one Series of Bonds the written consent of the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding, (ii) the Tax Compliance Documents without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in Article XI hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. Notice of the proposed amendment, change or modification shall also be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.

**ARTICLE XIII  
MISCELLANEOUS**

**Section 13.1. Evidence of Signature of Bondholders and Ownership of Bonds.**

(a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Except as otherwise provided in Section 11.3 hereof with respect to revocation of a consent, any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Agency or the Trustee or any Paying Agent in accordance therewith.

**Section 13.2. Moneys Held for Particular Bonds.** The amounts held by the Trustee or Paying Agents for the payment of the principal or Redemption Price, if any, of, and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, and subject to any rebate requirements as set forth in the Tax Compliance Documents or this Indenture, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto. Such amounts so held shall be uninvested or, if invested, invested only in Defeasance Obligations, maturing within thirty (30) days.

**Section 13.3. Notices.** Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given to or filed with the Agency, the School Parties, or the Trustee shall be deemed to have been

sufficiently given or filed for all purposes of this Indenture if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid:

(a) To the Agency, to the City of Syracuse Industrial Development Agency, City Hall Commons, 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202, Attention: Chairman.

(b) To the Trustee or to the Depository Bank, to Manufacturers and Traders Trust Company, One M&T Plaza, 7th Floor, Buffalo, New York (14203), Attention: Corporate Trust Department.

(c) To the School Parties:

(i) in the case of the City, addressed to it to the attention of the Mayor, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, 233 East Washington Street, Syracuse, New York 13202;

(ii) in the case of the SCSD, addressed to it to the attention of the SCSD's Superintendent, at 725 Harrison Street, Syracuse, New York 13210, with a copy to Corporation Counsel, City of Syracuse, at City Hall, 233 East Washington Street, Syracuse, New York 13202; and

(iii) in the case of the JSCB, addressed to it to the attention of the Chairman, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, 233 East Washington Street, Syracuse, New York 13202;

The Agency, the School Parties and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices, demands, directions, certificates, Opinions of Counsel, requests, instruments or other communications hereunder shall be sent. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

**Section 13.4. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the School Parties, the Trustee, the Paying Agents and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the School Parties, the Trustee, the Paying Agents and the Holders of the Bonds.

**Section 13.5. Partial Invalidity.** In case any one or more of the provisions of this Indenture or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Agency

contained in the Bonds or in this Indenture shall for any reason be held to be in violation of the law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Agency to the full extent permitted by law.

**Section 13.6. Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.7. Laws Governing Indenture.** The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

**Section 13.8. No Pecuniary Liability of Agency or Members.** No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Agency or the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Agency has not obligated itself except with respect to the Facilities and the application of the revenues, income and all other property therefrom, as hereinabove provided.

All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

**Section 13.9. Payments Due on Saturdays, Sundays and Holidays.** In any case where any payment date of principal and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

**Section 13.10. Priority of Indenture Over Liens.** This Indenture is given in order to secure funds to pay for costs of the Series 2018A Project and by reason thereof, it is intended that this Indenture shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon any of the Facilities subsequent to the recordation thereof. In compliance with Section 13 of the Lien Law, the Agency will receive the advances secured by this Indenture and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and that the Agency will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

**Section 13.11. Date for Reference Purposes Only.** The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was executed and delivered on the date of original issuance and delivery of the Series 2018A Bonds.

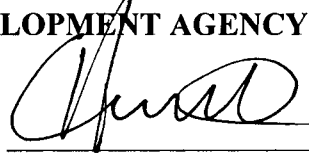
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**IN WITNESS WHEREOF**, City of Syracuse Industrial Development Agency, Syracuse, New York, has caused these presents to be executed in its name and behalf by its Chairman, Vice Chairman or Authorized Representative, and, to evidence its acceptance of the trust hereby created, Manufacturers and Traders Trust Company has caused these presents to be signed in its name and behalf by an authorized representative and its corporate seal to be hereunto affixed, all as of the day and year first above written.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:



Honora Spillane, Executive Director

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee**

By:



Russell T. Whitley  
Assistant Vice President

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the 14<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

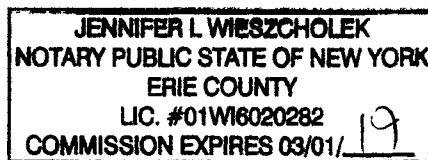
  
\_\_\_\_\_  
**NOTARY PUBLIC**

LORI L. McROBBIE  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5055591  
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ERIE         )

On the 13<sup>th</sup> day of March in the year 2018, before me, the undersigned, personally appeared **Russell T. Whitley**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
NOTARY PUBLIC



## APPENDIX A SCHEDULE OF DEFINITIONS

Act or IDA Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 641 of the 1979 Laws of New York, as amended.

Additional Bonds shall mean one or more series of bonds issued, executed, authenticated and delivered under this or a Series Indenture.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to a Series of Bonds, the applicable Arbitrage and Use of Proceeds Certificate of the School Parties relating to such Series of Bonds.

Authorized Representative shall have the meaning ascribed thereto in the Installment Sale Agreement.

Bank shall mean any: (i) bank or trust company organized under the laws of any state of the United States of America; (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 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.

Bankruptcy Code shall mean Title 11 of the United States Code, as it is amended from time to time.

Base Facilities Agreement Payment Certificate shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

Beneficial Ownership Interest shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of this Indenture.

Bond Resolution shall mean the resolution of the Agency adopted on January 16, 2018, authorizing the Series 2018A Project and the issuance of the Series 2018A Bonds.

Bonds shall mean the Series 2018A Bonds and any Additional Bonds.

Bond Service Charges shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

Bond Year shall have the meaning ascribed thereto in the Tax Certificate.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

Cede & Co. shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

City Engineer shall have the meaning ascribed thereto in the Installment Sale Agreement.

Closing Date shall mean the date of the original issuance and delivery of the Series 2018A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Collecting Officer shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Collection Percentage means, with respect to each month of a Collection Period, the ratio, expressed as a percentage, of the amount of State Aid to Education expected to be received during such month of such Collection Period to the total amount of State Aid to Education expected to be received during such Collection Period.

Collection Period means the four month period from and including December 1 of a Fiscal Year through and including March 31 of such Fiscal Year.

Commissioner of Finance shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Costs of Issuance shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter's spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter's counsel, Trustee's counsel, Agency's counsel, counsel to each of the School Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant's fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

Defeasance Obligations shall mean only: (1) cash; (2) non-callable direct obligations of the United States of America ("*Treasuries*"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively; or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Depository Bank or Depository shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns in such capacity.

DTC shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification

Agreement, dated as of July 1, 2011 and a Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, from the City and the SCSD to and for the benefit of the Issuer, as same may be further amended or supplemented from time to time.

Event of Default shall have the meaning specified in Section 8.1 of this Indenture.

Event of Nonappropriation shall have the meaning ascribed thereto in the Installment Sale Agreement.

Facilities Payment Obligations means, with respect to the Installment Sale Agreement, the Lease Payments, Installment Purchase Payments or other like payment obligations as so defined in the Installment Sale Agreement.

First Supplemental Indenture shall mean the Indenture of Trust (Series 2011 Project), dated as of July 1, 2011, between the Agency and the applicable Series Trustee, pursuant to which the Series 2011 Bonds were issued.

Fitch shall mean Fitch Ratings and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Trustee by notice to the Notice Parties.

Indenture shall mean this Indenture of Trust (Series 2018A Project), as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of this Indenture.

Installment Purchase Payments shall mean those purchase payments payable by the SCSD pursuant to the Installment Sale Agreement, which term, for purposes of the State Aid Depository Agreement, shall constitute a “Bank Facilities Agreement Payment”.

Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 , as amended by Amendment No. 1 to Installment Sale Agreement dated as of March 1, 2009, as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as December, 2010; Amendment No. 3 to Installment Sale agreement (Series 2011 Project) dated as of July 1, 2011; Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017; and Amendment No. 5 to Installment Sale Agreement (Series 2018A Project) and, dated as of March 1, 2018, each among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Interest Payment Date shall mean, with respect to the Series 2018A Bonds, May 1 and November 1 of each year, commencing November 1, 2018, through and including the maturity date of the Series 2018A Bonds.

Issuer shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall succeed to the powers, duties, obligations and functions thereof.

JSCB shall mean the Syracuse Joint Schools Construction Board.

License Agreement or License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee, with respect to the Facilities, as previously amended by the Amendatory License Agreement dated as of December 1, 2010; a Second Amendatory License Agreement (Series 2011 Project) dated as of July 1, 2011; a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017; and a Fourth Amendatory License Agreement (Series 2018A Project) dated as of March 1, 2018, each between the City and the SCSD, as licensor and the Issuer, as licensee, as the same may be further amended or supplemented.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean Barclay Damon LLP or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Base Facilities Agreement Payment shall mean, with respect to the Installment Sale Agreement, the Net Base Installment Purchase Payments, Net Base Lease Payments or other net base payment obligations for principal and interest on the related Project Bonds (net of (y) any Scheduled Debt Service Reserve Fund Earnings to the extent that any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received under the related Series Indenture to satisfy any deficiency in the Debt Service Reserve Fund established for such Project Bonds, and (z) any amounts available in the Bond Fund established under the Series Indenture for such Project Bonds).

Notice Parties shall mean the Agency, the Bond Insurer, the School Parties, the Paying Agent and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.



Outstanding when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under this Indenture, except:

(a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under this Indenture for cancellation;

(b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of this Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 hereof, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in this Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of this Indenture,

*provided, however,* that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to this Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

Pledge and Assignment shall mean the Pledge and Assignment dated as of March 1, 2018, by the Agency to the Trustee, acknowledged by the City, the SCSD and the JSCB.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Costs shall mean, together with any other proper item of cost not specifically mentioned herein but authorized pursuant to the IDA Act or the Syracuse Schools Act, the cost of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified herein as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Project Fund Sufficiency Certificate shall have the meaning ascribed thereto in Section 5.5(d) of the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(a) (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed

directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures which are unconditionally guaranteed as to payment of principal and interest by an agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

(c) Collateralized (but such collateralization, if any, shall only be to the extent required by, and acceptable to, the District as determined by the Comptroller of the City) Certificates of Deposit issued by a commercial bank or trust company authorized to do business in the State and Time Deposit, Demand Deposit, and Money Market Accounts in a bank or trust company authorized to do business in the State.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(f) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(g) "State Obligations", which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(h) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(1) the municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

- (2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- (3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);
- (4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- (5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- (6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(i) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s, provided that:

- (1) The market value of the collateral and the type of the collateral are approved by the Comptroller of the City;
- (2) The Trustee or a third party acting solely as agent therefor or for the Agency (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- (3) The repurchase agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

- (4) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

(j) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

- (1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;
- (2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- (3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- (4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency and the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency and the Trustee;
- (5) the investment agreement shall provide that if during its term
  - (i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively (but not below "A-" or "A3", respectively), the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral")

collateral (of the type and having a market value as approved by the Comptroller of the City) free and clear of any third-party liens or claims, provided, however, that the provider can only exercise its option under this clause (a) if the Trustee shall receive a Rating Confirmation with respect thereto; or (b) repay the principal of and accrued but unpaid interest on the investment with no penalty or premium to the Agency or the Trustee, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(k) Any other investment, whether similar or dissimilar to any of the foregoing, to the extent that the Trustee (if so directed by the Comptroller of the City) shall receive a Rating Confirmation with respect thereto.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional

principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean Fitch, S&P or Moody's and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

Rating Category shall mean one of the generic rating categories of any of Fitch, Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Record Date shall mean, with respect to the Series 2018A Bonds, the fifteenth (15<sup>th</sup>) day of the month immediately preceding an Interest Payment Date.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture.

Refunded Bonds shall mean, with respect to a Series of Refunding Bonds, the Bonds refunded by such Refunding Bonds pursuant to Section 2.7 of this Indenture.

Refunding Bonds shall mean one or more series of Refunding Bonds issued, executed, authenticated and delivered under this Indenture.

Related Security Documents shall mean all Security Documents other than this Indenture.

Representation Letter shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

Reserved Rights shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified “project” as defined in and as contemplated by the IDA Act and the Syracuse Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Article VII and Sections 2.3, 3.1, 3.2, 3.7, 3.9, 4.3, 4.5, 4.8, 5.2, 5.5, 8.1(b) – (f), 8.2, 8.3, 8.7, 9.1, 10.5, 10.6, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement; and

(g) the right of the Agency in its own behalf to enforce the Agency’s Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in this Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.



S&P shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Scheduled Debt Service Fund Earnings shall have the meaning ascribed thereto in the State Aid Depository Agreement.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Installment Sale Agreement, the Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Tax Compliance Documents.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to this Indenture.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series 2010 Bonds shall mean the Issuer's \$31,470,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2010, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2011 Bonds shall mean the Issuer's \$31,860,000 School Facility Revenue Bonds (Tax-Exempt) (Syracuse City School District Project), Series 2011A and the Issuer's \$15,000,000 School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project), Series 2011B authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008A Bonds shall mean the Issuer's \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, authorized, issued, executed, authenticated and delivered under the Series 2008 Indenture.

Series 2018A Bonds shall mean the Issuer's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, authorized, issued, executed, authenticated and delivered under the Series 2018A Indenture.

Series 2017 Bonds shall mean the Agency's \$29,260,000 School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2017, authorized, issued, executed, authenticated and delivered under this Indenture.

Series 2008 Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of March 1, 2008, between the Agency and the applicable Series Trustee, pursuant to which the Series 2008A Bonds were issued.

Series 2010 Indenture shall mean the Indenture of Trust (Series 2010 Project), dated as of December 1, 2010, between the Agency and the applicable Series Trustee, pursuant to which the Series 2010 Bonds were issued, as supplemented by the First Supplemental Indenture.

Series 2018A Indenture shall mean the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, between the Agency and the applicable Series Trustee, pursuant to which the Series 2018A Bonds were issued.

Series 2017 Indenture shall mean the Indenture of Trust (Series 2017 Project), dated as of April 1, 2017, between the Agency and the applicable Series Trustee, pursuant to which the Series 2017 Bonds were issued.

Series 2018A Project shall have the meaning ascribed to such term in the Installment Sale Agreement.

Series Trustee shall mean the Trustee hereunder, the Trustee under the Series 2010 Indenture, Trustee under the Series 2017 Indenture and the Trustee under the Series 2018A Indenture, each between Manufacturers and Traders Trust Company, as Trustee and the Agency; and each financial institution acting as Trustee under a Series or Supplemental Indenture.

Special Record Date shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of this Indenture.

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010, each among the SCSD, the Depository Bank and the City, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

State Aid to Education shall have the meaning ascribed thereto in the State Aid Depository Agreement.

State Comptroller shall mean the State Comptroller of the State of New York.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of this Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of this Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate of the Agency with respect to such Series of Bonds.

Tax Compliance Documents shall mean, with respect to a Series of Bonds, the Arbitrage and Use of Proceeds Certificate and Tax Certificate with respect to such Series of Bonds.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under this Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in this Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

**APPENDIX B**

**PROJECT FUND  
REQUISITION NO. \_\_\_\_**

**TO:** Manufacturers and Traders Trust Company,  
as Trustee

**FROM:** Syracuse Joint Schools Construction Board

Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.1 of the Indenture of Trust dated as of March 1, 2018 (the "***Indenture***") between the City of Syracuse Industrial Development Agency (the "***Agency***") and yourself, a check or checks (or wire transfer or wire transfers) in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Installment Sale Agreement referred to in the Indenture.

I hereby certify that

1. I am an Authorized Representative of the JSCB;
2. the number of this Requisition is \_\_\_\_;
3. the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.2(b) of the Indenture and each such item has been properly paid or incurred as an item of Project Cost;
4. none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;
5. no portion of the proceeds of the Series 2018A Bonds will be applied to reimburse the School Parties for Project Costs paid more than sixty (60) days prior to March 1, 2018, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Series 2018A Bonds which were applied to finance certain preliminary expenses with respect to the Series 2018A Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing, bond costs of issuance and similar costs incurred prior to the commencement of construction or rehabilitation of the Series 2018A Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Series 2018A Project. No portion of the proceeds of the Series 2018A Bonds will be applied to reimburse the School Parties for a cost (other than

preliminary expenditures) (y) more than eighteen (18) months after the date the original expenditure was paid, or (z) more than eighteen (18) months after the date the related Facility to which the cost relates was placed in service, whichever is later. In no event shall the proceeds of the Series 2018A Bonds be applied to reimburse the School Parties for a Project Cost paid more than three (3) years after the original expenditure was paid, unless such cost is attributable to a preliminary expenditure, as described above;

6. the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;
7. each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;
8. I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment;
9. if the payment herein requested is a reimbursement to the School Parties for costs or expenses of the School Parties incurred by reason of work performed or supervised by officers or employees of the School Parties or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the School Parties and such costs or expenses will be treated by the School Parties on their books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;
10. if the payment herein requested is for an item of personalty, upon payment of the cost thereof such item of personalty will be subject to the Installment Sale Agreement and the Bill of Sale to Agency.
11. such item of cost for which payment is herein requested is chargeable to the capital account of the Series 2018A Project for federal income tax purposes, or would be so chargeable either with an election by the School Parties or but for the election of the School Parties to deduct the amount of such item;
12. each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Compliance Documents; and
13. each item for which payment under this Requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than ninety-five percent (95%) of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in Section 167 of the Code.

The payees authorized to receive amounts under this Requisition will submit to you, under separate cover, bills, invoices, or other documents evidencing and supporting this Requisition, upon which you are entitled to rely, provided the amounts requested in such bills, invoices, or other documents are no greater than those amounts listed for those payees in Schedule A to this Requisition. Such bills, invoices, or other documents will also indicate a method of payment for each payee, and you are authorized to provide payment by such listed method of payment.

**DATED:**

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE A TO REQUISITION NO. \_\_\_\_\_**

**Amount**

**Payee (with Address)**

**Purpose**

APPENDIX C

[Form of Notice to State Comptroller]  
Letterhead of Trustee

(Date)

Office of New York State Comptroller  
110 State Street  
Albany, New York 12236  
Attention: Director of Accounting Operations

Re: City of Syracuse Industrial Development Agency (the “Agency”)  
\$67,265,000 School Facility Revenue Bonds  
(Syracuse City School District Project),  
Series 2018A (the “Series 2018A Bonds”)

Dear \_\_\_\_\_:

The undersigned is the Trustee for the Series 2018A Bonds issued on March 15, 2018 pursuant to the terms of an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 between the Agency and the Trustee (the “Series 2018A Indenture”).

The City of Syracuse (the “City”) and the City School District of the City of Syracuse (the “School District”) have failed to make a payment in the amount of \$\_\_\_\_\_ (the “Deficiency”) under a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Agreement dated as of March 1, 2009 and as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010; Amendment No. 3 to Installment Sale Agreement (Series 2011 Project), dated as of July 1, 2011; Amendment No. 4 to Installment Sale Agreement (Series 2018A Project), dated as of April 1, 2017 and Amendment No.5 to Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, each among the Agency and the School Parties, (collectively the “Installment Sale Agreement”), and, pursuant to the authority of Chapter 58 Part 4-A of the Laws of the State of the State of New York, as amended from time to time, and Section 5.4 of the Series 2018A Indenture (a copy of which is attached), you are hereby directed to withhold state and/or school aid payable to the City or the School District in the amount of the Deficiency and pay over the same to the undersigned.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## Section 5.4 of Series 2018A Indenture

**Section 5.4. State or School Aid Intercept.** Pursuant to the Syracuse Schools Act, in the event the City or the SCSD shall fail (for any reason, including the failure of the State to appropriate moneys for such purpose or the failure of the SCSD and the City to budget and appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, as set forth therein and herein, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Agency hereby irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in the appendices attached hereto), by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such state and/or school aid so withheld. In the event that the State Comptroller should receive more than one such certificate from one or more Series Trustee, the Comptroller shall disburse such amounts so withheld on a *pari passu* basis with respect to any and all outstanding Series of Bonds. All such state and/or school aid so received shall be applied, *first*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *second*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to satisfy any obligation of the SCSD under Section 4.3 of the Installment Sale Agreement, *fifth*, to satisfy any obligation of the JSCB or the SCSD under Section 5.5 of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of any of the School Parties under the Installment Sale Agreement.

The appointment by the Agency of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Agency may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee hereby accepts such agency and agrees so to act on behalf of the Agency. Notwithstanding anything to the contrary contained herein, any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Agency.

The Agency covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection

with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of under the Syracuse Schools Act of state and/or school aid payable to the City or SCSD than the pledge effected pursuant to this Indenture; provided, however, that nothing contained in this Indenture shall be deemed (y) to limit or deny the ability of the Agency or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under this Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under this Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

**APPENDIX D**  
**DESCRIPTION OF FACILITIES**

1. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
2. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
3. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
4. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

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**PLEDGE AND ASSIGNMENT**

by

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

to

**MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE**

with acknowledgement thereof by

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE  
CITY OF SYRACUSE**

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Dated as of March 1, 2018

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\$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

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## PLEDGE AND ASSIGNMENT

**THIS PLEDGE AND ASSIGNMENT** dated as of March 1, 2018 (the “*Pledge and Assignment*”) is from **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation, duly organized and existing under the laws of the State of New York, having its principal office at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York 13202 (the “*Agency*”), to **MANUFACTURERS AND TRADERS TRUST COMPANY**, a trust company authorized under the laws of the State of New York to accept and execute trusts of the character hereinafter set forth and having its principal corporate trust office at One M & T Plaza, Buffalo, New York 14203, as trustee (with its successors in trust and assigns, the “*Trustee*”) for the holders of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, in the aggregate principal amount of \$67,265,000 (the “*Series 2018A Bonds*”) issued pursuant to a certain Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “*Indenture*”), by and between the Agency and the Trustee.

All capitalized terms used herein, unless otherwise defined, shall have the meaning ascribed to such terms in the Indenture.

For value received, the receipt of which is hereby acknowledged, the Agency hereby pledges, assigns, transfers and sets over to the Trustee, and hereby grants the Trustee, a lien on and security interest in all of the Agency’s right, title and interest in any and all moneys due or to become due and any and all other rights and remedies of the Agency under or arising out of a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, by and among the Agency, the City of Syracuse (the “*City*”), the City School District of the City of Syracuse (the “*SCSD*”) and the Syracuse Joint Schools Construction Board (the “*JSCB*” and together with the City and the JSCB, collectively, the “*School Parties*”), (the “*Original Agreement*”), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009, by and among the Agency and the School Parties (the “*First Amended Agreement*”), as further amended by Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010, by and among the Agency and the School Parties (the “*Second Amended Agreement*”), and as further amended by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011, by and among the Agency and the School Parties (the “*Third Amended Agreement*”), as further amended by Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017, by and among the Agency and the School Parties (the “*Fourth Amended Agreement*”); and as further amended by Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018, by and among the Agency and the School Parties (the “*Fifth Amended Agreement*” together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, collectively referred to as the “*Agreement*” or the “*Installment Sale Agreement*”) covering the real property described in Schedule A attached hereto (except for Reserved Rights and the moneys and investments in the Rebate Fund), *provided, however*, that the assignment made hereby shall not permit the amendment of the Agreement without the prior written consent of the Agency.

The Trustee shall not have any obligation, duty or liability under the Agreement except as specifically set forth in the Agreement and accepted herewith, nor shall the Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Agency thereunder or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

The Agency hereby irrevocably constitutes and appoints the Trustee its true and lawful attorney, with power of substitution for the Agency and in the name of the Agency or in the name of the Trustee, for the use and benefit of the Trustee, to ask, demand, require, receive, collect, compromise, compound and give discharges and releases of all claims for any and all moneys due or to become due under or arising out of the Agreement (except for claims relating to moneys due or to become due with respect to the Reserved Rights) and to endorse any checks and other instruments or orders in connection therewith, and, if any "Event of Default" specified in the Indenture or the Series 2018A Bonds shall occur: (a) to settle, compromise, compound and adjust any such claims (except for claims arising pursuant to the Reserved Rights); (b) to exercise and enforce any and all claims, rights, powers and remedies of the Agency under or arising out of the Agreement (except for rights of the Agency and moneys payable pursuant to the Reserved Rights); (c) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the Trustee hereunder and to enforce any rights in respect thereto and all other claims, rights, powers and remedies of the Agency under or arising out of the Installment Sale Agreement (except for rights of the Agency and moneys payable pursuant to the Reserved Rights); and (d) generally to sell, assign, transfer, pledge or make any agreement with respect to and otherwise deal with any of such claims, rights, powers and remedies as fully and completely as though the Trustee was the absolute owner thereof for all purposes, and at such times and in such manner as may seem to the Trustee to be necessary or advisable in its absolute discretion.

The Agency further agrees that at any time and from time to time, upon the written request of the Trustee, and at the sole cost and expense of the SCSD, the Agency will promptly and duly execute and deliver any and all such further instruments and documents as the Trustee may deem desirable in order to obtain the full benefits of this Assignment and all rights and powers herein granted.

The Agency hereby warrants and represents: (a) that the Installment Sale Agreement is in full force and effect; (b) that the Agency is not in default under the Installment Sale Agreement; and (c) that the Agency has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Assignment shall remain in effect, the whole or any part of the moneys, rights or remedies hereby assigned to anyone other than the Trustee.

All moneys due and to become due to the Trustee under or pursuant to the Installment Sale Agreement shall be paid directly to the Trustee at One M & T Plaza, Buffalo New York 14203, or at such other address as the Trustee may designate to School Parties and the Agency in writing from time to time.

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Pledge and Assignment, the Indenture, the Series 2018A Bonds, the Installment Sale Agreement and the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto (collectively, the “*Financing Documents*”) shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, agent (other than the JSCB), servant or employee of the Agency in his, her or its individual capacity, and no recourse under or upon any covenant, stipulation, promise, agreement or obligation in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent (other than the JSCB), servant or employee, as such, of the Agency or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Agency, either directly or through the Agency or any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Agency, it being expressly understood that the Financing Documents are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent (other than the JSCB), servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Agency because of the creation of the indebtedness thereby authorized, or under or by reason of the covenants, stipulations, promises, agreements or obligations contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent (other than the JSCB), servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Financing Documents and the issuance of the Series 2018A Bonds.

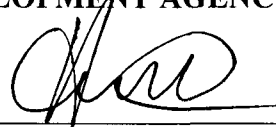
The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York, or the City, and neither the State of New York, nor the City shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Facilities (except for revenues derived by the Agency with respect to the Reserved Rights).

Notwithstanding any provision of this Assignment to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless: (a) the Agency shall have been requested to do so in writing by School Parties or the Trustee; and (b) if compliance with such request is reasonably expected to result in the incurrence by the Agency or any member, director, officer, agent (other than the JSCB), servant or employee of the Agency in any liability, fees, expenses or other costs, the Agency shall have received from the School Parties or the Trustee, as the case may be, security or indemnity satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

IN WITNESS WHEREOF, the Agency has duly executed this Pledge and Assignment  
this 15 day of March, 2018.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:



\_\_\_\_\_  
Honora Spillane, Executive Director

STATE OF NEW YORK    )  
                                  ) SS.:  
COUNTY OF ONONDAGA)

On the 14 day of March, 2018, before me, the undersigned, personally appeared **Honora Spillane**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



\_\_\_\_\_  
NOTARY PUBLIC

SUSAN R. KATZOFF  
Notary Public, State of New York  
Qual. in Onondaga Co. No. 02KA6120102  
Commission Expires on December 13, 2020

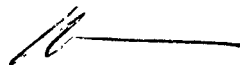


ACCEPTANCE

MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "Trustee"), hereby accepts the foregoing pledge and assignment dated as of March 1, 2018 (the "Pledge and Assignment") and agrees to fulfill all the duties and obligations imposed on the Trustee under said Pledge and Assignment and under the provisions of that certain Installment Sale Agreement dated as of March 1, 2008 (the "Original Agreement"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "First Amended Agreement"), Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "Second Amended Agreement"), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "Third Amended Agreement"), Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "Fourth Amended Agreement"); Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "Fifth Amended Agreement" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, and the Fourth Amended Agreement, collectively, the "Installment Sale Agreement"), each by and among the Agency, the City of Syracuse, the City School District of the City of Syracuse and the Syracuse Joint Schools Construction Board.

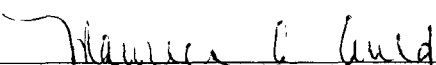
IN WITNESS WHEREOF, the Trustee has duly executed this Acceptance this 9th day of March, 2018.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By:   
\_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President

STATE OF NEW YORK ) SS.:  
COUNTY OF ERIE )

On the 9th day of March, 2018 before me, the undersigned, personally appeared **Russell T. Whitley**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC  
MAUREEN A. AULD  
Lic. #01AU6005855  
Notary Public-State of New York  
Qualified in Erie County  
My Commission Expires APRIL 20, 2018

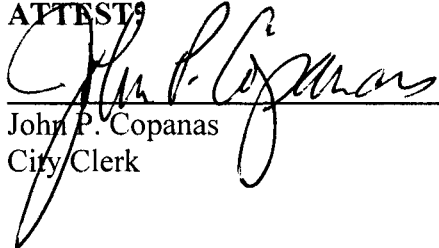
**ACKNOWLEDGEMENT BY SCHOOL PARTIES OF ASSIGNMENT  
OF AGENCY'S RIGHTS UNDER  
INSTALLMENT SALE AGREEMENT (SERIES 2018A PROJECT)**

The undersigned hereby acknowledges receipt of notice of the pledge and assignment by City of Syracuse Industrial Development Agency (the "**Agency**") to Manufacturers and Traders Trust Company, as trustee (together with any successor trustees under that certain indenture of trust dated as of March 1, 2018 between the Agency and the Trustee (as defined herein) (the "**Indenture**"), the "**Trustee**") of certain of the Agency's rights and remedies under a certain Installment Sale Agreement dated as of March 1, 2008 (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"), Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"), Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**"); Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, and the Fourth Amended Agreement, collectively, the "**Installment Sale Agreement**"), each by and among the Agency, the City of Syracuse, the City School District of the City of Syracuse and the Syracuse Joint Schools Construction Board, which assignment is contained in a certain Pledge and Assignment dated as of March 1, 2018 (the "**Pledge and Assignment**") from the Agency to the Trustee, which Pledge and Assignment includes the right to collect and receive all amounts payable by the undersigned under the Installment Sale Agreement (except for rights of the Agency and moneys payable pursuant to the "**Reserved Rights**," as defined in the Indenture). The undersigned, intending to be legally bound, hereby agrees with the Trustee: (A) to pay directly to the Trustee all sums due and to become due to the Agency from the undersigned under the Installment Sale Agreement (except for moneys payable pursuant to the Reserved Rights), without set-off, counterclaim or deduction for any reason whatsoever; (B) except as otherwise provided in the Installment Sale Agreement, not to seek to recover from the Trustee any moneys paid thereto pursuant to the Installment Sale Agreement; (C) to perform for the benefit of the Trustee all of the duties and undertakings of the undersigned under the Installment Sale Agreement (except for duties and obligations relating to the Agency's Reserved Rights); and (D) that the Trustee shall not be obligated by reason of the Pledge and Assignment or otherwise to perform or be responsible for the performance of any of the duties, undertakings or obligations of the Agency under the Installment Sale Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have each caused this Acknowledgement to be duly executed this 13~~th~~ day of March, 2018.

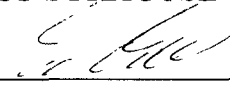
ATTEST:

  
John P. Copanas  
City Clerk

**CITY SCHOOL DISTRICT  
OF THE CITY OF SYRACUSE**

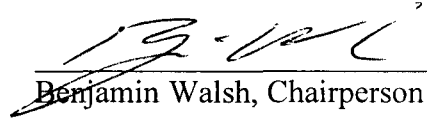
By: \_\_\_\_\_  
Suzanne Slack  
Chief Financial Officer

**CITY OF SYRACUSE**

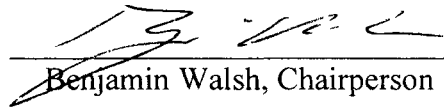
By:   
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:   
Benjamin Walsh, Chairperson

STATE OF NEW YORK )  
 ) : ss.:  
COUNTY OF ONONDAGA )

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **David J. DelVecchio**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of whom the individual acted, executed the instrument.



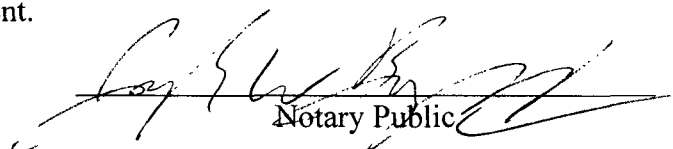
Notary Public

DAVID J. DELVECCHIO  
Notary Public in the State of New York

STATE OF NEW YORK )  
 ) : ss.:  
COUNTY OF ONONDAGA )

2022

On the 13<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **Benjamin Walsh**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of whom the individual acted, executed the instrument.



Notary Public

JOSEPH W. BARRY III  
Notary Public in the State of New York  
Qualified in Onondaga County  
No. 02BA5051526

My Commission Expires 11/6/21

STATE OF NEW YORK )  
 ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of March, in the year 2018, before me, the undersigned, personally appeared **Suzanne Slack**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of whom the individual acted, executed the instrument.

Notary Public

IN WITNESS WHEREOF, the undersigned have each caused this Acknowledgement to be duly executed this 16 day of March, 2018.

**ATTEST:**

**CITY OF SYRACUSE**

\_\_\_\_\_  
John P. Copanas  
City Clerk

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**CITY SCHOOL DISTRICT  
OF THE CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: Suzanne Slack  
Suzanne Slack  
Chief Financial Officer

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

STATE OF NEW YORK )  
 ) : ss.:  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of March, in the year 2018, before me, the undersigned, personally appeared **David J. DelVecchio**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of whom the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
 ) : ss.:  
COUNTY OF ONONDAGA )

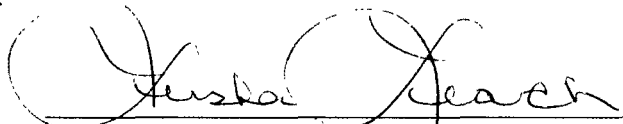
On the \_\_\_\_ day of March, in the year 2018, before me, the undersigned, personally appeared **Benjamin Walsh**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of whom the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
 ): ss.  
COUNTY OF ONONDAGA )

On the 12<sup>th</sup> day of March, in the year 2018, before me, the undersigned, personally appeared **Suzanne Slack**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of whom the individual acted, executed the instrument.

LEISHA LEACH  
Notary Public, State of New York  
Qualified in Cayuga County  
No. 01LE6159390  
My Commission Expires January 16, 2019

  
\_\_\_\_\_  
Notary Public

## **SCHEDULE A**

### **DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central (the former Central Technical High School) located at 258 East Adams Street;
2. Shea Middle School located at 1607 South Geddes Street;
3. Dr. Weeks Elementary located at 710 Hawley Avenue;
4. Clary Middle School located at 100 Amidon Drive;
5. Fowler High School located at 227 Magnolia Street; and
6. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.
7. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
8. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
9. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
10. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

## TAX CERTIFICATE

This Tax Certificate (the “Tax Certificate”) is executed by the City of Syracuse Industrial Development Agency (the “Issuer”) to set forth representations of facts, expectations, restrictions and covenants which are in furtherance of the covenants contained in the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “Indenture”), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”). On the date hereof, the Issuer is issuing its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the “Bonds”). In consideration of the covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in part pursuant to Section 1.148-2(b)(2) of the Treasury Regulations (as hereinafter defined), the Issuer hereby certifies, covenants, represents and agrees and Trustee hereby accepts as follows:

### ARTICLE I

#### IN GENERAL

**Section 1.1**                    **General.** The Issuer is delivering this Tax Certificate (including all Exhibits hereto) to Barclay Damon LLP (“Bond Counsel”) with the understanding and acknowledgment that Bond Counsel will rely upon this Tax Certificate (including all Exhibits hereto) in rendering its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code (as hereinafter defined).

**Section 1.2**                    **Authorization of Issuance.** The Bonds are being issued pursuant to the Constitution and statutes of the State of New York (the “State”), including particularly the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, as amended (the “Enabling Act”); Chapter 641 of the 1979 Laws of New York State, as amended (together with the Enabling Act, the “IDA Act”); and Chapter 58 Part A-4 of the Laws of 2006 of New York State, as amended (the “Syracuse Schools Act”). The Bonds have been authorized by a Bond Resolution adopted by the members of the Issuer dated January 16, 2018 (the “Resolution”) and are being issued pursuant to the terms of the Indenture.

**Section 1.3**                    **Delivery of the Bonds.** The Bonds are being delivered to Raymond James & Associates, Inc., on behalf of itself and as representative of certain other underwriters (the “Underwriter”) identified in the Purchase Contract dated March 2, 2018 (the “Purchase Contract”), among the Underwriter, the Issuer, the Syracuse Joint Schools Construction Board (the “SJSCB”), the City of Syracuse (the “City”) and the City School District of the City of Syracuse (the “SCSD” and collectively with the SJSCB and the City, the “Borrowing Entities”).

**Section 1.4**                    **Description of the Bonds.** The Bonds have been sold at the aggregate issue prices or yields as set forth on the inside cover of the Official Statement dated March 2, 2018, of the Issuer, the City and SCSD and are further described in the Official Statement.

**Section 1.5**                    **Purpose of this Tax Certificate.** Interest paid on the Bonds is expected to be excluded from the federal gross income of holders of the Bonds. Federal income



tax law imposes requirements on the Bonds and the application and investment of proceeds of the Bonds that must be complied with, as of and subsequent to the Closing Date (as hereinafter defined), in order that interest on the Bonds may be and remain excluded from the gross income of Bondholders for federal income tax purposes. This Tax Certificate sets forth the covenants and agreements of the Issuer and the provisions and procedures pursuant to which such requirements may be met. This Tax Certificate is intended and may be relied upon for purposes of Sections 103 and 141 through 150 of the Code as a certification of expectations described in Section 1.148-2(b)(2) of the Regulations. This Tax Certificate is executed and delivered as part of the record of proceedings in connection with the issuance of the Bonds.

**Section 1.6**                    **Reliance on Other Parties.** The expectations of the Issuer concerning uses of the Proceeds (as hereinafter defined) of the Bonds and other matters are based in whole or in part upon representations, certifications, warranties and covenants of the Borrowing Entities and other parties set forth in this Tax Certificate and the Exhibits hereto, including the representations of the Underwriter contained in Exhibit A attached hereto and the computations attached as Exhibit B hereto. To the extent that the Issuer makes any representation in this Tax Certificate concerning any action to be taken or expected to be taken by the Borrowing Entities, it does so in reliance on the representations of the respective Borrowing Entities set forth in the Tax Questionnaire completed by the Borrowing Entities and the Borrowing Entities' Arbitrage and Use of Proceeds Certificate, dated March 15, 2018 (hereinafter, the "Arbitrage Certificate"), all of which were delivered to the Issuer in connection with the issuance of the Bonds. The Issuer is not aware of any facts and circumstances that would cause it to question the accuracy or reasonableness of any representation or certification made in this Tax Certificate or the Exhibits hereto.

**Section 1.7**                    **Definitions.** Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the Indenture or, if not defined in the Indenture, in Sections 103 and 141-150 of the Code (as hereinafter defined). Unless the context otherwise requires, the following capitalized terms have the following meanings for purposes of this Tax Certificate (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Arbitrage Certificate" shall have the meaning set forth in Section 1.6 of this Tax Certificate.

"Available Construction Proceeds" shall mean the Sale Proceeds of the Bonds plus investment earnings thereon, less any Sale Proceeds used to fund costs of issuance or any reasonably required reserve or replacement fund. Subject to certain elections that the Issuer may make for purposes of determining Available Construction Proceeds as described in Section 5.5(b)(iii), Available Construction Proceeds shall include any investment earnings on Sale Proceeds of the Bonds: (i) used to finance issuance costs, and (ii) used to finance any reasonably required reserve or replacement fund, before the earlier of the date construction of the project is substantially completed or the date that is two (2) years after the Closing Date.

"Bond Year" shall mean for federal tax purposes, the period beginning on the Closing Date and ending on March 14, 2019 or such other shorter period that the Issuer may select, and each successive one-year or shorter period thereafter.

“Bonds” shall have the meaning set forth in the first paragraph of this Tax Certificate.

“Borrowing Entities” shall have the meaning set forth in Section 1.3 of this Tax Certificate.

“City” shall have the meaning set forth in Section 1.3 of this Tax Certificate.

“Closing Date” shall mean March 15, 2018, the date of initial issuance and physical delivery of the Bonds. The Closing Date is the “issue date” as defined in Section 1.150-1(b) of the Treasury Regulations.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Eighteen Month Expenditure Rule” shall have the meaning set forth in Section 5.5(c) of this Tax Certificate.

“Eligible Gross Proceeds” shall mean Gross Proceeds of the Bonds excluding: (a) amounts in a bona fide debt service fund (e.g., the Bond Fund), (b) amounts in a reasonably required reserve or replacement fund, and (c) amounts that as of the Closing Date, are not reasonably expected to be Gross Proceeds but that became Gross Proceeds after the end of the six month spending period of the Six Month Expenditure Rule and the eighteen month spending period in the case of the Eighteen Month Expenditure Rule.

“Fixed Yield Issue” means any issue if each bond that is part of such issue is a bond whose yield is fixed and determinable on the issue date.

“Gross Proceeds” shall have the meaning used in Section 1.148-1(b) of the Treasury Regulations, and generally means all Proceeds and Replacement Proceeds.

“Installment Sale Agreement” shall mean that certain Installment Sale Agreement (Series 2008A Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Agreement dated as of March 1, 2009, Amendment No. 2 to Agreement dated as of December 1, 2010, Amendment No. 3 to Agreement dated as of July 1, 2011, Amendment No. 4 to Agreement dated as of April 1, 2017 and Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as March 1, 2018 all among the Issuer and the Borrowing Entities.

“Investment Proceeds” shall mean any amounts actually or constructively received from investing Proceeds.

“Investment Property” shall mean any security or obligation (other than tax-exempt bonds which are not “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code), an annuity contract or any other investment-type property within the meaning of Section 1.148-1(b) of the Treasury Regulations.

“Issuer” shall have the meaning set forth in the first paragraph of this Tax Certificate.

“Nationally Recognized Bond Counsel” shall mean Barclay Damon LLP or other counsel acceptable to the Issuer and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

“Nonpurpose Investment” shall mean any Investment Property in which Gross Proceeds are invested that is not a Purpose Investment (i.e., the Installment Sale Agreement).

“Nonqualified Amount” shall have the meaning set forth in Section 141(b)(8) of the Code.

“Opinion of Bond Counsel” shall mean a written opinion of Nationally Recognized Bond Counsel to the effect that such action or inaction described in said opinion will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

“Other Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c)(4) of the Treasury Regulations. Other Replacement Proceeds arise to the extent that the SCSD reasonably expects as of the Closing Date that the term of the Bonds is longer than is reasonably necessary for the governmental purpose of the Bonds and that there will be available amounts created (within the meaning of Treasury Regulation Section 1.148-6(d)(3)(iii)) during the period that the Bonds remain outstanding longer than necessary. Other Replacement Proceeds do not arise for the portion of the Bonds that is to be used to: (a) finance working capital expenditures if that portion of the Bonds is not outstanding longer than the temporary period under Treasury Regulation Section 1.148-2(e)(3) for which the Proceeds qualify; (b) finance or refinance capital projects (within the meaning of Treasury Regulation Section 1.148-1(b)) if that portion of the Bonds does not exceed one-hundred twenty percent (120%) of the average reasonably expected life of the financed capital projects; (c) refund a prior issue, provided that the weighted average maturity of such refunding issue does not exceed the remaining weighted average maturity of the prior issue and the issue of which the prior issue is a part satisfies Section 1.148-1(c)(4)(i)(B)(1) or 1.148-1(c)(4)(i)(B)(2) of the Treasury Regulations; or (d) finance working capital expenditures, provided that portion of the Bonds satisfies Treasury Regulation Section 1.148-1(c)(4)(ii).

“Pledge Fund” shall have the meaning set forth in Section 1.148-1(c)(3) of the Treasury Regulations, and generally means any amount that is directly or indirectly pledged to pay principal or interest on the Bonds. A Pledge Fund need not be cast in any particular form but must provide a reasonable assurance to the bondowners that such amounts will be available to pay principal or interest on the Bonds in the event that the City or the SCSD encounters financial difficulties. An amount is also treated as pledged to pay principal or interest on the Bonds if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the bondowners or a guarantor of the Bonds, however, such amount will not be treated as pledged if: (a) the Issuer or any of the Borrowing Entities or a substantial beneficiary of the Bonds may grant rights in the amount that are superior to the rights of the bondowners, or (b) the amount is not in excess of the purpose for which it was established, the required level is tested no more frequently than every six (6) months, and the amount may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date.

“Private Use” shall have the meaning set forth in Section 2.7(b) of this Tax Certificate.

“Proceeds” means, with respect to the Bonds, any Sale Proceeds, Investment Proceeds, and Transferred Proceeds, as defined in Section 1.148-1(b) of the Treasury Regulations, if any, other than amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher yield under Section 1.148-2(d) of the Treasury Regulations or to qualified administrative costs recoverable under Section 1.148-5(e) of the Treasury Regulations.

“Project” shall have the meaning set forth in Section 2.6 of this Tax Certificate.

“Purpose Investment” shall mean an investment that is acquired to carry out the governmental purpose of the Bonds.

“Rebate Requirement” shall mean the amount of rebatable arbitrage computed as of the last day of any Bond Year in the manner described in Section 1.148-3 of the Treasury Regulations.

“Refunding Obligations” shall have the meaning set forth in Section 5.3 of this Tax Certificate.

“Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c)(1) of the Treasury Regulations, and generally means any Sinking Fund, Pledge Fund, or Other Replacement Proceeds to the extent that those funds or accounts are derived by or derived from a substantial beneficiary of the Bonds. A substantial beneficiary of the Bonds includes the Issuer and the Borrowing Entities.

“Sale Proceeds” shall mean any amounts actually or constructively received by the Issuer from the sale of the Bonds (other than pre-issuance accrued interest).

“SCSD” shall have the meaning set forth in Section 1.3 of this Tax Certificate.

“Sinking Fund” shall have the meaning set forth in Section 1.148-1(c)(2) of the Treasury Regulations, and generally means a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent that such fund is reasonably expected to be used directly or indirectly to pay principal or interest on the Bonds.

“Six Month Expenditure Rule” shall have the meaning set forth in Section 5.5(e) of this Tax Certificate.

“SJSCB” shall have the meaning set forth in Section 1.3 of this Tax Certificate.

“State” shall have the meaning set forth in Section 1.2 of this Tax Certificate.

“Tax Certificate” shall mean this Tax Certificate executed by the Issuer on March 15, 2018.

“Transferred Proceeds” shall have the meaning set forth in Section 1.148-1(b) of the Treasury Regulations.

“Treasury Regulations” shall mean such regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury including Treasury Regulations issued pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and Sections 103 and 141 through 150, inclusive, of the Code.

“Trustee” shall have the meaning set forth in first paragraph of this Tax Certificate.

“2017 Notes” shall have the meaning set forth in Section 2.6 of this Tax Certificate.

“Underwriter” shall have the meaning set forth in Section 1.3 of this Tax Certificate.

## ARTICLE II

### EXPECTATIONS AND WARRANTIES OF THE ISSUER

**Section 2.1**            **Single Issue.** The Issuer represents that all of the Bonds have been sold at substantially the same time, have been sold pursuant to the same plan of financing and are reasonably expected to be paid from substantially the same source of funds, determined without regard to guarantees from unrelated parties. The Issuer represents based in part on representations of the City in the Arbitrage Certificate that no other governmental obligations: (a) have been, or will be sold within fifteen (15) days of the sale of the Bonds, (b) have been, or will be sold pursuant to the same plan of financing, and (c) are reasonably expected to be paid out of substantially the same source of funds as the Bonds, determined without regard to guarantees from unrelated parties.

**Section 2.2**            **Registered Form.** The Bonds are being issued in registered form.

**Section 2.3**            **No Federal Guarantee.** The Issuer represents, warrants and covenants that it will not directly or indirectly use or permit the use of or otherwise invest any Proceeds of the Bonds or any other funds of the Issuer or take or omit to take any action that would cause the Bonds to be obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance thereof, the Issuer will not allow the payment of the principal or interest with respect to the Bonds to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof. The Issuer also will not, except as provided in the next sentence, use five percent (5%) or more of the Proceeds of the Bonds to make or finance loans the payment of the principal or interest with respect to which are guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof, nor will the Issuer invest five percent (5%) or more of the Proceeds of the Bonds in federally insured deposits or accounts. The preceding sentence shall not apply to: (a) investments in the Project Fund during applicable temporary periods, (b) investments in bona fide debt service funds; and (iii) investments in obligations issued by the United States Department of the Treasury.

**Section 2.4**            **Useful Life.** The Issuer represents, warrants and covenants that based on the computations furnished by the Underwriter attached as Exhibit B, hereto the weighted average maturity of the Bonds is 10.0095 years and based on the representations of the SCSD in the Arbitrage Certificate, does not exceed one hundred twenty percent (120%) of the average reasonably expected economic life of the Facilities financed by the Proceeds of the Bonds. Land was not taken into account in determining the average economic life of such Facilities and costs.

**Section 2.5**            **No Hedge Bonds.** The Borrowing Entities represented in the Arbitrage Certificate that at least eighty-five percent (85%) of the Net Sale Proceeds of the Bonds will be spent within three (3) years of the date hereof. The City represented in the Arbitrage Certificate that it reasonably expects that not more than fifty percent (50%) of such portion of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield of four (4) years or longer.

**Section 2.6**                    **Use of Proceeds.**    The Bonds are being issued to finance or refinance a portion of the cost of Phase II of the comprehensive redevelopment program (the “Program”) for the SCSD’s public schools. The Legislature of the State enacted the Syracuse Schools Act to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, building and financing public schools within the City in order to improve the physical condition of the schools. The Bonds will finance or refinance all or a portion of the costs of a project (the “Project”) consisting of: (a)(i) the acquisition or continuation by the Issuer of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "Buildings"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (b) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “Equipment” and together with the Buildings, the “Facilities”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (c) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Project and financing certain costs of issuance. Pursuant to the Installment Sale Agreement, the Issuer agrees to make the Proceeds of the Bonds available to the SJSCB and appoints the SJSCB its agent for purposes of completing the Project. The installment purchase payments due under the Installment Sale Agreement will equal principal and interest due on the Bonds. Under the Installment Sale Agreement, the SCSD will be responsible for the maintenance and operation of the Facilities. A portion of the Proceeds of the Bonds will, together with other funds of the City and the SCSD, retire \$7,417,430 of the City’s \$14,800,000 Bond Anticipation Notes 2017B (JSCB Purposes) dated June 22, 2017, and maturing March 15, 2018 (the “2017 Notes”). The 2017 Notes were issued to provide new monies in the amount of \$5,000,000 to be used to pay a portion of the Project and retire, together with other funds of the City and the SCSD, the City’s \$7,905,000 Bond Anticipation Notes 2016A (JSCB Purposes) dated June 23, 2016 and the City’s \$2,000,000 Bond Anticipation Notes 2016B (JSCB Purposes) dated October 6, 2016.

**Section 2.7**                    **Classification of the Bonds.**

(a)    The Borrowing Entities have represented in the Arbitrage Certificate that the application of the Proceeds of the Bonds to the purposes contemplated by the Installment Sale Agreement and the Indenture would not cause the Bonds (a) to meet either (i) the “private business” tests of Section 141(b) of the Code, or (ii) the “private loan financing” test of Section 141(c) of the Code; or (b) to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(b)    The Borrowing Entities have represented in the Arbitrage Certificate that: (i) the proceeds of the Bonds will be used exclusively to finance costs associated with the issuance of the Bonds and the costs of the Project and costs related thereto, and (ii) no portion of the Proceeds of the Bonds have been or will be used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural

person (“Private Use”), excluding, however, use by a state or local government unit and use as a member of the general public.

(c) In the event that the Issuer is contacted by the Borrowing Entities seeking to increase the Private Use of the Project or private loans beyond that delineated in Section 2.8(b) above, the Issuer shall not approve such actions unless an Opinion of Bond Counsel is delivered to the Issuer and the Trustee.

**Section 2.8**                    **Debt Service on the Bonds.** The Bonds state that they are payable solely from: (a) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (b) the pledge of certain funds, including a Bond Fund, under the Indenture. The Syracuse Schools Act and the Indenture provide that in the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement upon receipt by the New York State Comptroller (the “State Comptroller”) of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller will withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The Installment Sale Agreement provides that the obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The Indenture provides that the only source of moneys available for the payment of the principal of and interest on the Bonds are Bond Proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency.

**Section 2.9**                    **Information Reporting.** The Issuer certifies that it has reviewed the Internal Revenue Service Form 8038-G to be filed in connection with the issuance of the Bonds (attached hereto as Exhibit C), and believes that all of the information contained in the Form 8038-G is true and complete. The Issuer covenants that such Form 8038-G will be filed no later than the fifteenth (15th) day of the second calendar month following the close of the calendar year quarter in which the Bonds are issued at the Internal Revenue Service Center, Ogden, Utah 84201.

### ARTICLE III

### ARBITRAGE

**Section 3.1**                    **Reasonable Expectations.** This Article III states the reasonable expectations, statements of fact and representations of the Issuer with respect to the amount of the Proceeds of the Bonds and certain other funds. In reliance on the representations made by the Borrowing Entities in the Arbitrage Certificate and on the basis of the following, it is not expected that the Bonds will be “arbitrage bonds” within the meaning of Section 148 of the Code.



**Section 3.2**                    **Sale Proceeds.** The Sale Proceeds to be derived by the Issuer from the sale of the Bonds (principal amount of \$67,265,000, plus net premium of \$9,532,508.65, which includes \$396,011.34 that will be used to pay Underwriter's Discount), is \$76,797,508.65. There is no accrued interest on the Bonds. The Issuer certifies based on the representations of the Borrowing Entities that the Sale Proceeds (\$76,797,508.65) of the Bonds are expected on the Closing Date to be needed and fully expended as follows:

(a)        \$396,011.34 of the Sale Proceeds of the Bonds will be used by the Issuer on the Closing Date for payment of the Underwriter's discount and costs.

(b)        \$1,313,644.32 of the Sale Proceeds of the Bonds will be deposited in the Project Fund established pursuant to the Indenture and shall be used on or about the Closing Date to pay Costs of Issuance (other than Underwriter's discount) on the Bonds as set forth in Exhibit B attached to the Arbitrage Certificate.

(c)        \$7,417,430.00 of the Sale Proceeds of the Bonds will be deposited in the Project Fund and pursuant to the Letter of Instruction, transferred to the City to be used by the City to redeem a portion of the 2017 Notes on March 15, 2018.

(d)        \$3,671,325.48 of the Sale Proceeds of the Bonds will be deposited in the Interest Account of the Bond Fund established pursuant to the Indenture and shall be used to pay interest due on the Bonds for a period commencing on the Closing Date and ending on May 1, 2019.

(e)        The remaining Sale Proceeds of the Bonds will be deposited in the Project Fund and shall be used to pay costs of the Project.

**Section 3.3**                    **Accrued Interest.** There is no pre-issuance accrued interest.

**Section 3.4**                    **No Overissuance.** The Borrowing Entities have represented in the Arbitrage Certificate that the total Proceeds to be received by the Issuer from the sale of the Bonds and anticipated investment earnings thereon, do not exceed the total of the amount necessary to finance the government purposes for which the Bonds are issued as described above.

**Section 3.5**                    **Funds and Accounts.**

(a)        General. The following funds and accounts are created and established under the Indenture:

(i)        Project Fund,

(ii)       Bond Fund and, within such Bond Fund, the (A) Principal Account, (B) the Interest Account and (C) the Redemption Account, and

(iii)       Rebate Fund.

(b)        Project Fund. In accordance with Section 5.2 of the Indenture, Sale Proceeds of the Bonds deposited in the Project Fund will be applied to redeem a portion of the 2017 Notes, to pay or reimburse costs of the Project and to pay costs relating to the issuance of the Bonds.

(c) Bond Fund. In accordance with Section 5.3 of the Indenture, amounts deposited to the Bond Fund will be applied, among other things, to the payment of principal, sinking fund installments and redemption price of and interest on the Bonds.

(d) No Other Sinking or Pledge Fund. The Issuer represents based in part on representations of each of the Borrowing Entities in the Arbitrage Certificate that, other than the Bond Fund, there are no other funds or accounts of the Issuer established pursuant to the Indenture, the Installment Sale Agreement or otherwise which are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral for the Bonds, for which there is a reasonable assurance that amounts therein or the investment income earned from such funds or accounts will be available to pay debt service on the Bonds in the event the SCSD or the City encounters financial difficulties.

(e) Rebate Fund. The Borrowing Entities, in the Arbitrage Certificate, have covenanted not to use moneys on deposit in any fund or account in connection with the Bonds in a manner which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code. To that end, the Rebate Fund is created under the Indenture. The Issuer shall deposit into the Rebate Fund any monies received in accordance with this Tax Certificate for purposes of paying rebate to the United States Treasury Department and which is so identified. The amount required to be held in the Rebate Fund at any point in time is determined pursuant to the requirements of the Code, including particularly Section 148(f) of the Code and the Treasury Regulations promulgated thereunder. Moneys in the Rebate Fund are neither pledged to, nor expected to be used to, pay debt service on the Bonds.

**Section 3.6** Investment Restrictions. The Arbitrage Certificate provides based on the expectations of the SCSD and the City that amounts derived from the sale of the Bonds and the amounts deposited in the funds or accounts described above may be invested as follows:

(a) Project Fund – Project Costs. Sale Proceeds of the Bonds deposited within the Project Fund to be applied to pay costs of the Project may be invested at an unrestricted yield until expended but in no event for a period to exceed three (3) years from the date hereof. Investment earnings on such amounts may be invested at an unrestricted yield for a period not exceeding three (3) years from the date hereof or one (1) year from the date of receipt, whichever is longer and, thereafter, at a yield not in excess of the yield on the Bonds. All such amounts deposited in the Project Fund will be subject to the arbitrage rebate requirements of Section 148(f) of the Code.

(b) Project Fund - Costs of Issuance. Sale Proceeds of the Bonds deposited in the Project Fund to be applied to pay the costs of issuance of the Bonds may be invested at an unrestricted yield until expended but in no event for a period to exceed ninety (90) days from the date hereof. Investment earnings on such amounts may be invested at an unrestricted yield for a one (1) year period from the date of receipt and, thereafter, at a yield not in excess of the yield on the Bonds. All such amounts deposited in the Project Fund will be subject to the arbitrage rebate requirements of Section 148(f) of the Code.

(c) Bond Fund. Amounts held in the Bond Fund to pay debt service on the Bonds will be invested without restriction as to yield to the extent that the Bond Fund constitutes a

“bona fide debt service fund” as described in Section 5.01 of the Arbitrage Certificate. To the extent that the Bond Fund does not constitute a “bona fide debt service fund” as so described, amounts held in the Bond Fund must be invested at a yield that is no higher than the yield on the Bonds and will be subject to the arbitrage rebate requirements of Section 148(f) of the Code.

(d) **Restricted Investments.** Unless otherwise approved by an Opinion of Bond Counsel, any amounts which are required to be invested at a yield not in excess of the yield on the Bonds shall be invested in either: (i) assets that are not treated as Investment Property, or (ii) Investment Property with a yield not exceeding the yield on the Bonds.

**Section 3.7** **No Replacement.** The Issuer represents, warrants and covenants based in part on the representations, warranties and covenants of the Borrowing Entities in the Arbitrage Certificate that no portion of the Proceeds of the Bonds will be used, directly or indirectly, to replace funds of any of the Borrowing Entities or any related person which were intended to be used for the purpose of the Bonds and will be used directly or indirectly to acquire Investment Property reasonably expected to produce a yield higher than the yield on the Bonds.

**Section 3.8** **No Abusive Arbitrage Device or Overburdening of the Market.** Relying upon representations and covenants made by the Borrowing Entities in the Arbitrage Certificate, the Issuer represents, warrants and covenants that the Bonds are not and will not be part of a transaction or series of transactions that has the effect of: (a) enabling the Issuer or any related persons (within the meaning of Section 147(a)(2) of the Code) to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage, and (b) overburdening the market for tax-exempt obligations in any manner, including, without limitation, selling bonds that would not otherwise be sold, or selling more bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

## ARTICLE IV

### YIELD

**Section 4.1** **Yield.** When used in this Tax Certificate, the term “*yield*” refers to the yield computed by the actuarial or present worth method using a three hundred sixty (360) day year and semiannual compounding, and means that discount rate which, when used in computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to the purchase price in the case of investments purchased with Gross Proceeds of the Bonds and the issue price of the Bonds in the case of the Bonds.

The Bonds constitute a Fixed Yield Issue. Except for the Bonds maturing on or after May 1, 2027, which are subject to redemption at the option of the Issuer and the SCSD on or after May 1, 2026, none of the Bonds are subject to optional redemption. Except for the Bonds maturing on May 1, 2026 through and including May 1, 2033 (the “*Callable Premium Bonds*”), none of the Bonds (i) is subject to optional redemption within five (5) years of the Closing Date; (ii) is issued at an Issue Price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (0.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date for the Bonds; or (iii) bears interest at increasing interest rates. The yield on the Bonds has been computed by the

Underwriter to be not less than 2.644747%. The computation of the yield on the Bonds is included in Exhibit B.

The Issuer acknowledges that the yield on the Bonds will not be affected by subsequent unexpected events, except to the extent provided in Sections 1.148-4(h)(3) and 1.148-4(b)(4) of the Regulations when and if the Issuer enters into a Qualified Hedge or into any transaction transferring, waiving or modifying any right that is part of the terms of the Bonds. The Issuer agrees that it will consult with Bond Counsel prior to entering into any of the foregoing transactions.

## ARTICLE V

### REBATE

**Section 5.1**            **Undertakings.** The Issuer and the Borrowing Entities, pursuant to the Indenture and the Installment Sale Agreement, have covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued Treasury Regulations with respect to certain of these undertakings, including the proper method for computing whether any rebate amount is due the federal government under Section 148(f) of the Code. In the Arbitrage Certificate, the City has agreed that it will undertake to determine (or have determined on their behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Bonds. The Issuer and the Borrowing Entities will undertake the methodology described in this Article V of this Tax Certificate, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an Opinion of Bond Counsel.

**Section 5.2**            **Rebate Fund.** A special fund designated the “Rebate Fund” has been established pursuant to Section 5.1 of the Indenture. Pursuant to the Indenture, the Trustee will keep the Rebate Fund separate and apart from all other funds and moneys held by it.

**Section 5.3**            **Record Keeping.** Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds of the Bonds must be maintained by the Issuer and the Trustee including: (i) purchase date, (ii) purchase price, (iii) information establishing fair market value on the date such investment became allocated to Gross Proceeds of the Bonds and thus a Nonpurpose Investment and on the date it ceases to be allocated to Gross Proceeds of the Bonds and thus not a Nonpurpose Investment, (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, (x) disposition date, and (xi) broker’s fees. Such detailed record keeping is required for the calculation of the Rebate Requirement which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Bonds.

The Issuer covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Tax Certificate until the date

three (3) years after the last outstanding Bonds have been retired. In the Arbitrage Certificate, each of the Borrowing Entities covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in the Arbitrage Certificate until the date three (3) years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations (the “Refunding Obligations”), the Issuer covenants to maintain all records required to be retained by this Section 5.3 until the later of the date three (3) years after the last outstanding Bonds have been retired or the date three (3) years after the last Refunding Obligations have been retired. The records that must be retained include, but are not limited to:

(a) Basic records and documents relating to the Bonds including the Indenture, the Installment Sale Agreement, this Tax Certificate and the opinion of Bond Counsel);

(b) Documentation evidencing expenditure of Bond Proceeds and other sources to the extent provided to the Issuer by the Borrowing Entities pursuant to Section 8.05 of the Arbitrage Certificate;

(c) Documentation evidencing use of the Project by Outside Users (as defined in the Arbitrage Certificate) (e.g., copies of management contracts, research agreements, leases, etc.) to the extent provided to the Issuer by the Borrowing Entities pursuant to Section 8.05 of the Arbitrage Certificate;

(d) Documentation evidencing all sources of payment or security for the Bonds to the extent provided to the Issuer by the Borrowing Entities pursuant to Section 8.05 of the Arbitrage Certificate; and

(e) Documentation pertaining to any investment of Bond proceeds by the Issuer (including the purchase and sale of securities, United States Treasury Securities - State and Local Government Series subscriptions, yield calculations for each class of investments, actual investment income received from the investment of Proceeds, guaranteed investment contracts, and rebate calculations).

**Section 5.4 Rebate Requirement Calculation and Payment.** The Issuer represents, warrants and covenants that it will prepare or, with the City (see Section 5.8 below) cause to be prepared a calculation of the Rebate Requirement (which calculation shall be delivered to the Trustee upon request) with respect to the Bonds consistent with the rules described in this Section 5.4: (i) within fifty-eight (58) days after the close of the fifth Bond Year and each fifth Bond Year so long as any Bonds remain outstanding, and (ii) within fifty-eight (58) days after the first date on which there are no outstanding Bonds. The City and the SCSD have covenanted in the Arbitrage Certificate that the City and the SCSD, on behalf of the Issuer shall deposit with the Trustee or direct the Trustee to transfer from designated funds, an amount in the Rebate Fund as necessary to increase or decrease the sum held in the Rebate Fund for the Rebate Requirement.

(a) For purposes of calculating the Rebate Requirement (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its fair market value (determined as

provided in Section 1.148-5(d)(6) of the Treasury Regulations) at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment (based on the assumed purchase price at fair market value and adjusted to take into account amounts received with respect to the Nonpurpose Investment and earned original issue discount or premium) on the first date when there are no outstanding Bonds or when the investment ceases to be a Nonpurpose Investment.

(b) The Issuer hereby directs the City to direct the Trustee to pay to the United States Department of the Treasury, out of the Rebate Fund (A) not later than sixty (60) days after the end of each five (5) year period beginning with the Closing Date, a payment equal to at least ninety percent (90%) of the Rebate Requirement with respect to the Bonds, calculated as of the date of such payment; and (B) not later than sixty (60) days after the first date when there are no outstanding Bonds, an amount equal to one hundred percent (100%) of the Rebate Requirement (determined as of the first date when there are no outstanding Bonds) plus any actual or imputed earnings on such Rebate Requirement, all as set forth in Sections 1.148-3 of the Treasury Regulations and as determined by or on behalf of the Issuer.

(c) Each payment required to be made pursuant hereto and relating to the Bonds shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer and the Trustee (to the extent such records were furnished or provided to the Trustee and were identified as such) must retain records of the calculations required by this Section 5.4 until three (3) years after the retirement of the last obligation of the Bonds.

## **Section 5.5                      Exception from Rebate Requirement**

(a) **In General.** Notwithstanding the foregoing provisions relating to the Rebate Requirement, the Rebate Requirement shall not be required to be paid if the Gross Proceeds of the Bonds are expended in a manner which satisfies one of the exceptions to the Rebate Requirement described in this Section 5.5. In the event that one of the exceptions to the Rebate Requirement is not satisfied, the Issuer shall calculate, or with the assistance of the City shall cause to be calculated, and the City or the SCSD on behalf of the Issuer shall pay, the Rebate Requirement with respect to such Proceeds in accordance with the provisions of this Article V.

(b) **Two Year Expenditure Rule.** The Issuer shall not be required to calculate the Rebate Requirement with respect to Available Construction Proceeds if the requirements of Section 148(f)(4)(C) of the Code (the “Two Year Expenditure Rule”) are satisfied. The Rebate Requirement must be calculated and paid with respect to Proceeds which do not constitute Available Construction Proceeds or which do not satisfy any other available rebate exception.

(i) **Eligibility.** The Issuer will be eligible for the Two Year Expenditure Rule only if the following requirements are met: (a) the Bonds are not private activity bonds (as such term is defined in Section 141(a) of the Code), or are qualified Section 501(c)(3) bonds (as defined in Section 145 of the Code) or private activity bonds the Proceeds of which will be used to finance property owned by a governmental unit or an entity

described in Section 501(c)(3) of the Code; (b) the Issuer reasonably expects that at least seventy-five percent (75%) of the Available Construction Proceeds will be used for construction expenditures (including the costs of reconstruction and rehabilitation of the Facilities financed with the Proceeds of the Bonds, but excluding are the costs of acquisition of such Facilities) with respect to property owned by a governmental unit or an entity described in Section 501(c)(3) of the Code; and (c) the spend-down schedule referred to in Section 5.5(b)(ii) hereof is satisfied.

(ii) **Spend-Down Schedule.** The Available Construction Proceeds must be spent for the construction expenditures in accordance with the following amounts and time periods beginning on the Closing Date: (a) at least ten percent (10%) of such Available Construction Proceeds within six months, (b) at least forty-five percent (45%) of such Available Construction Proceeds within twelve months, (c) at least seventy-five percent (75%) of such Available Construction Proceeds within eighteen months, and (d) one hundred percent (100%) of such Available Construction Proceeds within twenty-four months. For purposes of determining compliance with the spending requirements as of the end of each of the first three spending periods described above, Available Construction Proceeds shall include the amount of future earnings reasonably expected to be earned as of the Closing Date. The spending requirement for the fourth spending period will be satisfied if unspent Available Construction Proceeds are held for a period not exceeding three (3) years from the Closing Date as “reasonable retainage” required or permitted by construction contracts with respect to the construction projects. Reasonable retainage means an amount, not to exceed five percent (5%) of Available Construction Proceeds as of the end of the fourth spending period, that is retained for reasonable business purposes relating to the property financed with the proceeds of the issue. For example, a reasonable retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the Issuer reasonably determines that a dispute exists regarding completion or payment. If the above described spending requirements are satisfied and the Proceeds used to finance costs of issuance are expended by the end of the fourth spending period, Proceeds allocable to financing the costs of issuance shall be treated as having satisfied the Rebate Requirement.

(iii) **Two Year Expenditure Rule Elections.** In accordance with Treasury Regulation Section 1.148-7(f)(2), the Issuer may elect to apply the provisions of Sections 5.5(b)(iii)(a) and (b) (below) based on actual facts instead of the Issuer’s reasonable expectations. **The Issuer hereby does , does not X elect to apply the actual facts for purposes of the Two Year Expenditure Rule.**

(a) For purposes of determining whether the Bonds constitute a construction issue (as defined in Section 148(f)(4)(C)(iv) of the Code), the Treasury Regulations provide that the Issuer may elect to make such determinations based on actual facts instead of the Issuer’s reasonable expectations.

(b) For purposes of determining the amount of future earnings earned on Available Construction Proceeds as of the end of the four spending periods as

described in Section 5.5(b)(ii), the Treasury Regulations provide that the Issuer may elect to make such determinations based on actual facts instead of the Issuer's reasonable expectations.

(c) If any Proceeds of the Bonds are to be used for construction expenditures, the Issuer may elect on or before the Closing Date to treat the Bonds as two separate issues for purposes of Section 148 of the Code (i.e., a construction issue and a non-construction issue), if the following requirements are satisfied: (i) the eligibility requirements described in Section 5.5(b)(i) are satisfied with respect to the construction issue, (ii) as of the Closing Date the Issuer reasonably expects that the construction issue will finance all of the construction expenditures financed by the Bonds, and (iii) the Issuer identifies the amount of the issue price of the Bonds allocable to the construction issue. **The Issuer hereby does, does not X elect to treat the Bonds as two separate issues for purposes of the Two Year Expenditure Rule.**

(d) The Issuer may elect to exclude investment earnings on any reasonably required reserve or replacement fund from Available Construction Proceeds thereby making such fund subject to the Rebate Requirement as of the Closing Date. **The Issuer hereby does, does not X elect to exclude investment earnings in any reasonably required reserve or replacement fund from ACP.**

(c) Eighteen Month Expenditure Rule. The Issuer shall not be required to calculate the Rebate Requirement with respect to Eligible Gross Proceeds if the requirements of Treasury Regulation Section 1.148-7(d) (the "Eighteen Month Expenditure Rule") are satisfied.

(i) Eligibility. The Issuer will be eligible for the Eighteen Month Expenditure Rule only if the following requirements are met: (a) the Eligible Gross Proceeds are expended for the governmental purposes of the issue in accordance with the spend-down schedule referred to in Section 5.5(c)(ii) hereof, and (b) all of the Eligible Gross Proceeds qualify for an initial three (3) year temporary period (as described in Treasury Regulation Section 1.148-2(e)(2)).

(ii) Spend-Down Schedule. The Eligible Gross Proceeds must be spent for the governmental purposes of the issue in accordance with the following amounts and time periods beginning on the Closing Date: (a) at least fifteen percent (15%) of such Eligible Gross Proceeds within six months, (b) at least sixty percent (60%) of such Eligible Gross Proceeds within twelve months, and (c) one hundred percent (100%) of such Eligible Gross Proceeds within eighteen months. For purposes of determining compliance with the first and second spending periods described above, the amount of Investment Proceeds included in Eligible Gross Proceeds is determined based on the Issuer's reasonable expectations based as of the Closing Date. The spending requirement for the third spending period will be satisfied if Eligible Gross Proceeds are held for a period not to exceed thirty (30) months from the Closing Date as "reasonable retainage" required or permitted to be retained for reasonable business purposes relating to



the property financed with the Bond Proceeds. The Eighteen Month Exception Rule is not available for any portion of the Bonds that is treated as meeting the Two Year Expenditure Rule described in 5.5(b) herein.

(d) De Minimis Rule For Purposes of the Two Year Expenditure Rule and Eighteen Month Expenditure Rule. Any failure to satisfy the final spending requirements of the Eighteen Month Expenditure Rule or the Two Year Expenditure Rule is disregarded if due diligence is exercised to complete the projects for which the Bonds were issued and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the Bonds or \$250,000.

(e) Six Month Expenditure Rule. Pursuant to Section 148(f)(4)(B) of the Code (the “Six Month Expenditure Rule”), if on or before the date six (6) months after the Closing Date the Eligible Gross Proceeds of the Bonds are expended for the purposes for which the Bonds are issued no rebate calculations and no rebate payment will need to be made with respect to Eligible Gross Proceeds of the Bonds.

(f) Expenditures for Governmental Purposes of the Issue. For purposes of the Two Year Expenditure Rule, the Eighteen Month Expenditure Rule and the Six Month Expenditure Rule, the payment of interest on the Bonds (but not principal) shall constitute an expenditure of Proceeds of the Bonds.

#### **Section 5.6                      Prohibited Investments and Dispositions.**

(a) General Rule. No Investment Property may be acquired with Gross Proceeds for an amount (including transaction costs, except as otherwise provided in Section 1.148-5(e)(2) of the Treasury Regulations) in excess of the fair market value of such Investment Property. No Investment Property may be sold or otherwise disposed of for an amount (including transaction costs, except as otherwise provided in Section 1.148-5(e)(2) of the Treasury Regulations) less than the fair market value of the Investment Property.

(b) Fair Market Value. In general, the fair market value of any Investment Property is the price at which a willing buyer would pay to a willing seller to acquire the Investment Property, with no amounts paid to artificially reduce or increase the yield on such Investment Property. Other methods may be used, however, to establish fair market value provided, however, that such methods comply with the requirements of Section 1.148-5 of the Treasury Regulations.

(c) Investment Contracts. The purchase price of any Investment Property acquired pursuant to an investment contract (within the meaning of Section 1.148-1(b) of the Treasury Regulations) shall be determined as provided in Section 1.148-5 of the Treasury Regulations. No investment contract shall be acquired with Gross Proceeds unless the requirements of Section 1.148-5 of the Treasury Regulations are satisfied. With respect to any investment contract, the Issuer will obtain from any provider of the investment contract, broker thereof or other party, such information, certification or representation as will enable the Issuer to determine that these requirements are satisfied.

(d) Certificates of Deposit. The fair market value of a certificate of deposit that has a fixed interest rate, a fixed principal payment schedule, and a substantial penalty for early

withdrawal shall be determined as provided in this Subsection 5.6(d). The fair market value of a certificate of deposit which does not have the foregoing attributes may be determined by reference to the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificate of deposit. The purchase price of a certificate of deposit will be considered to be fair market value if:

(i) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(ii) the yield on the certificate of deposit is not less than the highest published yield of the provider thereof which is currently available on comparable certificates of deposit offered to the public.

**Section 5.7** **Segregation of Proceeds.** In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to instruct the Trustee to establish separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

**Section 5.8** **Filing Requirements.** The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-T).

**Section 5.9** **Retention of Rebate Analyst.** In Section 8.04 of the Arbitrage Certificate, the City, among other things, has represented, warranted and covenanted that it will undertake to determine what is required with respect to the rebate provisions under the Code and that it will comply with any and all Rebate Requirements that may apply to the Bonds in a timely manner. The Issuer hereby covenants that, pursuant to the aforementioned Section 8.04 of the Arbitrage Certificate, the Issuer will require the City to either develop the in-house expertise necessary to assist in the calculation of rebate owed in connection with the Bonds or to retain a qualified expert (i.e., a “rebate analyst”) to assist the City and the Issuer to compute any Rebate Requirement and to satisfy the rebate provisions under the Arbitrage Certificate and the Code.

## ARTICLE VI

### GENERAL PROVISIONS

**Section 6.1** **Authorized Representative.** The undersigned is an Authorized Representative of the Issuer and is acting for and on behalf of the Issuer, in entering into this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

**Section 6.2** **Amendment and Supplementation.**

(a) Notwithstanding any other provision herein, the Issuer hereby agrees to amend, supplement or modify this Tax Certificate to the extent necessary to maintain the exclusion of interest on the Bonds from gross income for federal tax purposes as required pursuant to an Opinion of Bond Counsel.

(b) Notwithstanding any other provision herein, if the Issuer requests an amendment, supplementation or modification hereto, this Tax Certificate shall be so amended, supplemented or modified in accordance with an Opinion of Bond Counsel.


**Section 6.3 Severability.** If any provision of this Tax Certificate (including all Exhibits hereto) shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

**Section 6.4 Multiple Counterparts.** This Tax Certificate may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

**Section 6.5 Survival of Defeasance.** Notwithstanding anything in this Tax Certificate or any other provisions of the Indenture or the Installment Sale Agreement to the contrary, the obligation to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive the defeasance or payment in full of the Bonds.


IN WITNESS WHEREOF, the Issuer has executed this Tax Certificate by duly authorized representatives, all as of March 15, 2018.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:   
\_\_\_\_\_  
Honora Spillane, Executive Director

Receipt acknowledged by:

**MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee**

By:   
\_\_\_\_\_  
Name: Russell T. Whitley  
Title: Assistant Vice President

## EXHIBIT A

### CERTIFICATE OF THE REPRESENTATIVE REGARDING ISSUE PRICE

Raymond James & Associates, Inc., as representative (the "*Representative*") of the Underwriters (as defined below) named in the bond purchase agreement (the "*Bond Purchase Agreement*") entered into March 2, 2018, by and among the Representative on behalf of itself and the Underwriters named therein, Syracuse Joint Schools Construction Board, the City School District of the City of Syracuse, the City of Syracuse and the City of Syracuse Industrial Development Agency ("*SIDA*") and in connection with the sale and issuance by SIDA of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "*Bonds*") being issued on March 15, 2018, hereby certifies and represents on behalf of itself and such other Underwriters the following:

#### Issue Price.

1. The Underwriters offered each Maturity (as defined below) of the Bonds to the Public (as defined below) for purchase at the initial offering price or yield listed in Schedule A (the "*Initial Offering Prices*") attached to this certificate on or before the Sale Date (as defined below). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

2. As of the Sale Date, the price at which the first 10 percent of each Maturity of the Bonds was sold by the Underwriters to the Public is set forth on Schedule A.

#### Defined Terms.

*Issuer* means City of Syracuse Industrial Development Agency.

*Maturity* shall refer to Bonds with the same maturity date, interest rate and credit and payment terms.

*Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

*Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 2, 2018.

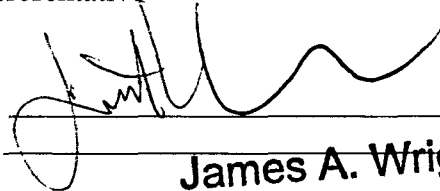
*Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the Bonds, and by Barclay Damon LLP, in connection with its opinion as to the exclusion of interest on the Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Representative is certifying only as to facts in existence on the date hereof. Nothing herein represents the Representative's interpretation of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of March, 2018.

**RAYMOND JAMES & ASSOCIATES, INC.**, as  
Representative

By:  
Its:



**James A. Wright**  
Managing Director  
Raymond James

**SCHEDULE A**

BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond.   |               |           |            |        |        |         |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5.000% | 1.500% | 107.300 |                   |            |            | 225,570.00          | 2.750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5.000% | 1.690% | 110.040 |                   |            |            | 326,300.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5.000% | 1.890% | 112.291 |                   |            |            | 419,737.65          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 520,406.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 628,650.75          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 718,014.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 819,947.10          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5.000% | 2.470% | 118.524 | C 2.697%          | 05/01/2026 | 100.000    | 812,277.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5.000% | 2.540% | 117.959 | C 2.937%          | 05/01/2026 | 100.000    | 827,909.90          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5.000% | 2.650% | 117.079 | C 3.167%          | 05/01/2026 | 100.000    | 827,477.55          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5.000% | 2.740% | 116.364 | C 3.347%          | 05/01/2026 | 100.000    | 833,745.80          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5.000% | 2.790% | 115.969 | C 3.474%          | 05/01/2026 | 100.000    | 855,139.95          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5.000% | 2.820% | 115.732 | C 3.572%          | 05/01/2026 | 100.000    | 885,711.60          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5.000% | 2.870% | 115.340 | C 3.669%          | 05/01/2026 | 100.000    | 908,128.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -76,507.65          | 2.750    |
|                |               |           | 67,265,000 |        |        |         |                   |            |            | 9,532,508.65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000.00 |             |
| Premium                | 9,532,508.65  |             |
| Production             | 76,797,508.65 | 114.171573% |
| Underwriter's Discount | -396,011.34   | -0.588733%  |
| Purchase Price         | 76,401,497.31 | 113.582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497.31 |             |



## **SCHEDULE B**

**McRobbie, Lori L.**

---

**From:** Brett Kaplan <Brett.Kaplan@RaymondJames.com>  
**Sent:** Wednesday, March 14, 2018 4:07 PM  
**To:** Kojo Asiedu; McRobbie, Lori L.  
**Cc:** Katzoff, Susan R.  
**Subject:** RE: Time sensitive - JSCB - copy of pricing wire needed

All -

See below for the final pricing wire.

Thanks,  
Brett

RE: \$ 67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

We have received the Written Award - Final Details are as follows - **trade time will be 2:00 PM ET:**

MOODY'S: Aa2    S&P: AA    FITCH: AA  
                    Stable Outlook    Stable Outlook    Stable Outlook

DATED: 03/15/2018      FIRST COUPON: 11/01/2018

DUE: 05/01

INITIAL TRADE DATE: 03/02/2018 @ 2:00PM Eastern

| MATURITY   | AMOUNT      | COUPON      | PRICE              | ADD'L<br>TAKEDOWN<br>( Pts ) | CUSIP     |
|------------|-------------|-------------|--------------------|------------------------------|-----------|
| 05/01/2020 | 3,090M      | 5.00%       | 1.50               | 0.275                        | 871683CU0 |
|            |             | (Approx. \$ | Price 107.300)     |                              |           |
| 05/01/2021 | 3,250M      | 5.00%       | 1.69               | 0.275                        | 871683CV8 |
|            |             | (Approx. \$ | Price 110.040)     |                              |           |
| 05/01/2022 | 3,415M      | 5.00%       | 1.89               | 0.275                        | 871683CW6 |
|            |             | (Approx. \$ | Price 112.291)     |                              |           |
| 05/01/2023 | 3,590M      | 5.00%       | 2.01               | 0.275                        | 871683CX4 |
|            |             | (Approx. \$ | Price 114.496)     |                              |           |
| 05/01/2024 | 3,775M      | 5.00%       | 2.09               | 0.275                        | 871683CY2 |
|            |             | (Approx. \$ | Price 116.653)     |                              |           |
| 05/01/2025 | 3,970M      | 5.00%       | 2.24               | 0.275                        | 871683CZ9 |
|            |             | (Approx. \$ | Price 118.086)     |                              |           |
| 05/01/2026 | 4,170M      | 5.00%       | 2.33               | 0.275                        | 871683DA3 |
|            |             | (Approx. \$ | Price 119.663)     |                              |           |
| 05/01/2027 | 4,385M      | 5.00%       | 2.47               | 0.275                        | 871683DB1 |
|            | (Approx. \$ | Price PTC   | 05/01/2026 118.524 | Approx. YTM                  |           |
|            |             |             |                    | 2.697)                       |           |
| 05/01/2028 | 4,610M      | 5.00%       | 2.54               | 0.275                        | 871683DC9 |

(Approx. \$ Price PTC 05/01/2026 117.959 Approx. YTM  
2.937)  
05/01/2029 4,845M 5.00% 2.65 0.275 871683DD7  
(Approx. \$ Price PTC 05/01/2026 117.079 Approx. YTM  
3.167)  
05/01/2030 5,095M 5.00% 2.74 0.275 871683DE5  
(Approx. \$ Price PTC 05/01/2026 116.364 Approx. YTM  
3.347)  
05/01/2031 5,355M 5.00% 2.79 0.275 871683DF2  
(Approx. \$ Price PTC 05/01/2026 115.969 Approx. YTM  
3.474)  
05/01/2032 5,630M 5.00% 2.82 0.275 871683DG0  
(Approx. \$ Price PTC 05/01/2026 115.732 Approx. YTM  
3.572)  
05/01/2033 5,920M 5.00% 2.87 0.275 871683DH8  
(Approx. \$ Price PTC 05/01/2026 115.340 Approx. YTM  
3.669)  
05/01/2034 6,165M 3.25% 3.35 0.275 871683DJ4  
(Approx. \$ Price 98.759)

-----  
CALL FEATURES: Optional call in 05/01/2026 @ 100.00

-----  
\*\*Bonds subject to ERP -- see page 30 of the POS\*\*

PRIORITY OF ORDERS AS FOLLOWS:

1. Group Net
2. Member

PRIORITY POLICY:

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Friday, March 2, 2018 at 11:31AM Eastern .

Delivery is firm for Thursday, March 15, 2018.

This issue is book entry only. This issue is clearing through DTC.

Award: 03/02/2018  
Award Time: 11:31AM Eastern  
Delivery: 03/15/2018 (Firm)  
Initial trade: 03/02/2018  
Date of Execution: 03/02/2018  
Time of Execution: 2:00PM Eastern

|                                  | Participation |
|----------------------------------|---------------|
| Raymond James & Associates, Inc. | 70.000%       |
| FTN Financial Capital Markets    | 10.000%       |
| Loop Capital Markets             | 10.000%       |
| Ramirez & Co., Inc.              | 10.000%       |

By: Raymond James & Associates, Inc. New York, NY

Brett Kaplan  
Associate

Public Finance – Debt Investment Banking  
T 646.557.1542 // F 646 557 1547  
535 Madison Avenue, 9th Floor  
New York, NY 10022

## **RAYMOND JAMES®**

**From:** Kojo Asiedu  
**Sent:** Wednesday, March 14, 2018 4:03 PM  
**To:** McRobbie, Lori L. <LMcRobbie@barclaydamon.com>  
**Cc:** Katzoff, Susan R. <SKatzoff@barclaydamon.com>  
**Subject:** Re: Time sensitive - JSCB - copy of pricing wire needed

Brett, Can you send the pricing wire ASAP

Kojo Asiedu  
Vice President  
Public Finance

Office: 646.557.1554  
Cell: 310.228.8299  
Fax: 646.557.1546

535 Madison Avenue, 9th Floor  
New York, NY 10022

On Mar 14, 2018, at 3:49 PM, McRobbie, Lori L. <LMcRobbie@barclaydamon.com> wrote:

Kojo,

Please send us a copy of the pricing wire as soon as you are able.

Thanks.  
Lori

**EXHIBIT B**  
**BOND COMPUTATIONS**

## TABLE OF CONTENTS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Report                          | Page |
|---------------------------------|------|
| <b>Phase II - Tranche 1A</b>    |      |
| Sources and Uses of Funds       | 1    |
| Spread to Municipal Grade Yield | 2    |
| Bond Pricing                    | 3    |
| Bond Debt Service               | 4    |
| Net Debt Service                | 6    |
| Bond Summary Statistics         | 8    |
| Proof of Arbitrage Yield        | 9    |
| Average Takedown                | 11   |
| Underwriter's Discount          | 12   |
| Cost of Issuance                | 13   |
| <b>Bellevue</b>                 |      |
| Sources and Uses of Funds       | 14   |
| Bond Pricing                    | 15   |
| Bond Debt Service               | 16   |
| Net Debt Service                | 17   |
| Bond Summary Statistics         | 18   |
| <b>Ed Smith</b>                 |      |
| Sources and Uses of Funds       | 19   |
| Bond Pricing                    | 20   |
| Bond Debt Service               | 21   |
| Net Debt Service                | 22   |
| Bond Summary Statistics         | 23   |
| <b>Frazer</b>                   |      |
| Sources and Uses of Funds       | 24   |
| Bond Pricing                    | 25   |
| Bond Debt Service               | 26   |
| Net Debt Service                | 27   |
| Bond Summary Statistics         | 28   |
| <b>Grant</b>                    |      |
| Sources and Uses of Funds       | 29   |
| Bond Pricing                    | 30   |
| Bond Debt Service               | 31   |
| Net Debt Service                | 32   |
| Bond Summary Statistics         | 33   |

## SOURCES AND USES OF FUNDS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Sources  | Bellevue      | Ed Smith      | Frazer       | Grant         | Total         |
|--|---------------|---------------|--------------|---------------|---------------|
| <b>Bond Proceeds:</b>                          |               |               |              |               |               |
| Par Amount                                     | 18,830,000.00 | 19,800,000.00 | 6,215,000.00 | 22,420,000.00 | 67,265,000.00 |
| Net Premium                                    | 2,665,170.45  | 2,808,185.95  | 880,862.75   | 3,178,289.50  | 9,532,508.65  |
|  | 21,495,170.45 | 22,608,185.95 | 7,095,862.75 | 25,598,289.50 | 76,797,508.65 |
| <b>Other Sources of Funds:</b>                 |               |               |              |               |               |
| SCSD Contribution for BAN Interest Repayment   | 17,778.55     | 18,688.15     | 5,871.06     | 21,168.88     | 63,506.64     |
| SCSD Contribution for BAN Principal Repayment  | 145,572.92    | 153,020.83    | 48,072.92    | 173,333.33    | 520,000.00    |
|  | 163,351.47    | 171,708.98    | 53,943.98    | 194,502.21    | 583,506.64    |
|  | 21,658,521.92 | 22,779,894.93 | 7,149,806.73 | 25,792,791.71 | 77,381,015.29 |
| <b>Uses</b>                                    |               |               |              |               |               |
|  | Bellevue      | Ed Smith      | Frazer       | Grant         | Total         |
| <b>Project Fund Deposits</b>                   |               |               |              |               |               |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494.12  | 2,182,733.36  | 685,725.79   | 2,472,476.73  | 7,417,430.00  |
| Deposit to Series 2018A Project Account        | 17,912,617.54 | 18,841,522.56 | 5,913,063.35 | 21,331,894.06 | 63,999,097.51 |
|  | 19,989,111.66 | 21,024,255.92 | 6,598,789.14 | 23,804,370.79 | 71,416,527.51 |
| <b>Other Fund Deposits:</b>                    |               |               |              |               |               |
| BAN Interest Repayment from SCSD Contribution  | 17,778.55     | 18,688.15     | 5,871.06     | 21,168.88     | 63,506.64     |
| BAN Principal Repayment from SCSD Contribution | 145,572.92    | 153,020.83    | 48,072.92    | 173,333.33    | 520,000.00    |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461.94  | 1,080,678.96  | 339,108.68   | 1,224,075.90  | 3,671,325.48  |
|  | 1,190,813.41  | 1,252,387.94  | 393,052.66   | 1,418,578.11  | 4,254,832.12  |
| <b>Delivery Date Expenses:</b>                 |               |               |              |               |               |
| Cost of Issuance                               | 116,733.98    | 122,747.35    | 38,529.04    | 138,989.63    | 417,000.00    |
| Underwriter's Discount                         | 110,858.45    | 116,569.17    | 36,589.77    | 131,993.95    | 396,011.34    |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854.42    | 164,934.55    | 51,771.12    | 186,759.23    | 560,319.32    |
| SIDA Fee (\$5 per Bond)                        | 94,150.00     | 99,000.00     | 31,075.00    | 112,100.00    | 336,325.00    |
|  | 478,596.85    | 503,251.07    | 157,964.93   | 569,842.81    | 1,709,655.66  |
|  | 21,658,521.92 | 22,779,894.93 | 7,149,806.73 | 25,792,791.71 | 77,381,015.29 |

## SPREAD TO MUNICIPAL GRADE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Component    | Maturity Date | Rate   | Yield  | May Interpolated MMD* | Credit Spread |
|--------------|---------------|--------|--------|-----------------------|---------------|
| Serial Bond: |               |        |        |                       |               |
|              | 05/01/2020    | 5.000% | 1.500% | 1.540%                | -0.040%       |
|              | 05/01/2021    | 5.000% | 1.690% | 1.690%                |               |
|              | 05/01/2022    | 5.000% | 1.890% | 1.840%                | 0.050%        |
|              | 05/01/2023    | 5.000% | 2.010% | 1.990%                | 0.020%        |
|              | 05/01/2024    | 5.000% | 2.090% | 2.100%                | -0.010%       |
|              | 05/01/2025    | 5.000% | 2.240% | 2.220%                | 0.020%        |
|              | 05/01/2026    | 5.000% | 2.330% | 2.330%                |               |
|              | 05/01/2027    | 5.000% | 2.470% | 2.420%                | 0.050%        |
|              | 05/01/2028    | 5.000% | 2.540% | 2.490%                | 0.050%        |
|              | 05/01/2029    | 5.000% | 2.650% | 2.560%                | 0.090%        |
|              | 05/01/2030    | 5.000% | 2.740% | 2.620%                | 0.120%        |
|              | 05/01/2031    | 5.000% | 2.790% | 2.670%                | 0.120%        |
|              | 05/01/2032    | 5.000% | 2.820% | 2.710%                | 0.110%        |
|              | 05/01/2033    | 5.000% | 2.870% | 2.760%                | 0.110%        |
|              | 05/01/2034    | 3.250% | 3.350% | 2.810%                | 0.540%        |

Note \* MMD as of Close of Business on February 28, 2018



BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |         |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5.000% | 1.500% | 107.300 |                   |            |            | 225,570.00          | 2.750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5.000% | 1.690% | 110.040 |                   |            |            | 326,300.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5.000% | 1.890% | 112.291 |                   |            |            | 419,737.65          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 520,406.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 628,650.75          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 718,014.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 819,947.10          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5.000% | 2.470% | 118.524 | 2.697%            | 05/01/2026 | 100.000    | 812,277.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5.000% | 2.540% | 117.959 | 2.937%            | 05/01/2026 | 100.000    | 827,909.90          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5.000% | 2.650% | 117.079 | 3.167%            | 05/01/2026 | 100.000    | 827,477.55          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5.000% | 2.740% | 116.364 | 3.347%            | 05/01/2026 | 100.000    | 833,745.80          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5.000% | 2.790% | 115.969 | 3.474%            | 05/01/2026 | 100.000    | 855,139.95          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5.000% | 2.820% | 115.732 | 3.572%            | 05/01/2026 | 100.000    | 885,711.60          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5.000% | 2.870% | 115.340 | 3.669%            | 05/01/2026 | 100.000    | 908,128.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -76,507.65          | 2.750    |
|                |               |           | 67,265,000 |        |        |         |                   |            |            | 9,532,508.65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000.00 |             |
| Premium                | 9,532,508.65  |             |
| Production             | 76,797,508.65 | 114.171573% |
| Underwriter's Discount | -396,011.34   | -0.588733%  |
| Purchase Price         | 76,401,497.31 | 113.582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497.31 |             |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  |
|---------------|------------|--------|---------------|---------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  |
| 11/01/2019    |            |        | 3,255,362.50  | 3,255,362.50  |
| 11/01/2020    | 3,090,000  | 5.000% | 3,178,112.50  | 6,268,112.50  |
| 11/01/2021    | 3,250,000  | 5.000% | 3,019,612.50  | 6,269,612.50  |
| 11/01/2022    | 3,415,000  | 5.000% | 2,852,987.50  | 6,267,987.50  |
| 11/01/2023    | 3,590,000  | 5.000% | 2,677,862.50  | 6,267,862.50  |
| 11/01/2024    | 3,775,000  | 5.000% | 2,493,737.50  | 6,268,737.50  |
| 11/01/2025    | 3,970,000  | 5.000% | 2,300,112.50  | 6,270,112.50  |
| 11/01/2026    | 4,170,000  | 5.000% | 2,096,612.50  | 6,266,612.50  |
| 11/01/2027    | 4,385,000  | 5.000% | 1,882,737.50  | 6,267,737.50  |
| 11/01/2028    | 4,610,000  | 5.000% | 1,657,862.50  | 6,267,862.50  |
| 11/01/2029    | 4,845,000  | 5.000% | 1,421,487.50  | 6,266,487.50  |
| 11/01/2030    | 5,095,000  | 5.000% | 1,172,987.50  | 6,267,987.50  |
| 11/01/2031    | 5,355,000  | 5.000% | 911,737.50    | 6,266,737.50  |
| 11/01/2032    | 5,630,000  | 5.000% | 637,112.50    | 6,267,112.50  |
| 11/01/2033    | 5,920,000  | 5.000% | 348,362.50    | 6,268,362.50  |
| 11/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 |

BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  | 2,043,644.23        |
| 05/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  |                     |
| 11/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  | 3,255,362.50        |
| 05/01/2020    | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25  |                     |
| 11/01/2020    |            |        | 1,550,431.25  | 1,550,431.25  | 6,268,112.50        |
| 05/01/2021    | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25  |                     |
| 11/01/2021    |            |        | 1,469,181.25  | 1,469,181.25  | 6,269,612.50        |
| 05/01/2022    | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25  |                     |
| 11/01/2022    |            |        | 1,383,806.25  | 1,383,806.25  | 6,267,987.50        |
| 05/01/2023    | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25  |                     |
| 11/01/2023    |            |        | 1,294,056.25  | 1,294,056.25  | 6,267,862.50        |
| 05/01/2024    | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25  |                     |
| 11/01/2024    |            |        | 1,199,681.25  | 1,199,681.25  | 6,268,737.50        |
| 05/01/2025    | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25  |                     |
| 11/01/2025    |            |        | 1,100,431.25  | 1,100,431.25  | 6,270,112.50        |
| 05/01/2026    | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25  |                     |
| 11/01/2026    |            |        | 996,181.25    | 996,181.25    | 6,266,612.50        |
| 05/01/2027    | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25  |                     |
| 11/01/2027    |            |        | 886,556.25    | 886,556.25    | 6,267,737.50        |
| 05/01/2028    | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25  |                     |
| 11/01/2028    |            |        | 771,306.25    | 771,306.25    | 6,267,862.50        |
| 05/01/2029    | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25  |                     |
| 11/01/2029    |            |        | 650,181.25    | 650,181.25    | 6,266,487.50        |
| 05/01/2030    | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25  |                     |
| 11/01/2030    |            |        | 522,806.25    | 522,806.25    | 6,267,987.50        |
| 05/01/2031    | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25  |                     |
| 11/01/2031    |            |        | 388,931.25    | 388,931.25    | 6,266,737.50        |
| 05/01/2032    | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25  |                     |
| 11/01/2032    |            |        | 248,181.25    | 248,181.25    | 6,267,112.50        |
| 05/01/2033    | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25  |                     |
| 11/01/2033    |            |        | 100,181.25    | 100,181.25    | 6,268,362.50        |
| 05/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |                     |
| 11/01/2034    |            |        |               |               | 6,265,181.25        |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 | 99,315,512.98       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Period<br>Ending | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service |
|------------------|------------|--------|---------------|-----------------------|---|---------------------|
| 11/01/2018       |            |        | 2,043,644.23  | 2,043,644.23          | 2,043,644.23  |                     |
| 11/01/2019       |            |        | 3,255,362.50  | 3,255,362.50          | 1,627,681.25  | 1,627,681.25        |
| 11/01/2020       | 3,090,000  | 5.000% | 3,178,112.50  | 6,268,112.50          |   | 6,268,112.50        |
| 11/01/2021       | 3,250,000  | 5.000% | 3,019,612.50  | 6,269,612.50          |   | 6,269,612.50        |
| 11/01/2022       | 3,415,000  | 5.000% | 2,852,987.50  | 6,267,987.50          |   | 6,267,987.50        |
| 11/01/2023       | 3,590,000  | 5.000% | 2,677,862.50  | 6,267,862.50          |   | 6,267,862.50        |
| 11/01/2024       | 3,775,000  | 5.000% | 2,493,737.50  | 6,268,737.50          |   | 6,268,737.50        |
| 11/01/2025       | 3,970,000  | 5.000% | 2,300,112.50  | 6,270,112.50          |   | 6,270,112.50        |
| 11/01/2026       | 4,170,000  | 5.000% | 2,096,612.50  | 6,266,612.50          |   | 6,266,612.50        |
| 11/01/2027       | 4,385,000  | 5.000% | 1,882,737.50  | 6,267,737.50          |   | 6,267,737.50        |
| 11/01/2028       | 4,610,000  | 5.000% | 1,657,862.50  | 6,267,862.50          |   | 6,267,862.50        |
| 11/01/2029       | 4,845,000  | 5.000% | 1,421,487.50  | 6,266,487.50          |   | 6,266,487.50        |
| 11/01/2030       | 5,095,000  | 5.000% | 1,172,987.50  | 6,267,987.50          |   | 6,267,987.50        |
| 11/01/2031       | 5,355,000  | 5.000% | 911,737.50    | 6,266,737.50          |   | 6,266,737.50        |
| 11/01/2032       | 5,630,000  | 5.000% | 637,112.50    | 6,267,112.50          |   | 6,267,112.50        |
| 11/01/2033       | 5,920,000  | 5.000% | 348,362.50    | 6,268,362.50          |   | 6,268,362.50        |
| 11/01/2034       | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25          |   | 6,265,181.25        |
|                  | 67,265,000 |        | 32,050,512.98 | 99,315,512.98         | 3,671,325.48  | 95,644,187.50       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 2,043,644.23  | 2,043,644.23          | 2,043,644.23  |                     |                   |
| 05/01/2019 |            |        | 1,627,681.25  | 1,627,681.25          | 1,627,681.25  |                     |                   |
| 11/01/2019 |            |        | 1,627,681.25  | 1,627,681.25          |   | 1,627,681.25        | 1,627,681.25      |
| 05/01/2020 | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25          |   | 4,717,681.25        |                   |
| 11/01/2020 |            |        | 1,550,431.25  | 1,550,431.25          |   | 1,550,431.25        | 6,268,112.50      |
| 05/01/2021 | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25          |   | 4,800,431.25        |                   |
| 11/01/2021 |            |        | 1,469,181.25  | 1,469,181.25          |   | 1,469,181.25        | 6,269,612.50      |
| 05/01/2022 | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25          |   | 4,884,181.25        |                   |
| 11/01/2022 |            |        | 1,383,806.25  | 1,383,806.25          |   | 1,383,806.25        | 6,267,987.50      |
| 05/01/2023 | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25          |   | 4,973,806.25        |                   |
| 11/01/2023 |            |        | 1,294,056.25  | 1,294,056.25          |   | 1,294,056.25        | 6,267,862.50      |
| 05/01/2024 | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25          |   | 5,069,056.25        |                   |
| 11/01/2024 |            |        | 1,199,681.25  | 1,199,681.25          |   | 1,199,681.25        | 6,268,737.50      |
| 05/01/2025 | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25          |   | 5,169,681.25        |                   |
| 11/01/2025 |            |        | 1,100,431.25  | 1,100,431.25          |   | 1,100,431.25        | 6,270,112.50      |
| 05/01/2026 | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25          |   | 5,270,431.25        |                   |
| 11/01/2026 |            |        | 996,181.25    | 996,181.25            |   | 996,181.25          | 6,266,612.50      |
| 05/01/2027 | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25          |   | 5,381,181.25        |                   |
| 11/01/2027 |            |        | 886,556.25    | 886,556.25            |   | 886,556.25          | 6,267,737.50      |
| 05/01/2028 | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25          |   | 5,496,556.25        |                   |
| 11/01/2028 |            |        | 771,306.25    | 771,306.25            |   | 771,306.25          | 6,267,862.50      |
| 05/01/2029 | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25          |   | 5,616,306.25        |                   |
| 11/01/2029 |            |        | 650,181.25    | 650,181.25            |   | 650,181.25          | 6,266,487.50      |
| 05/01/2030 | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25          |   | 5,745,181.25        |                   |
| 11/01/2030 |            |        | 522,806.25    | 522,806.25            |   | 522,806.25          | 6,267,987.50      |
| 05/01/2031 | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25          |   | 5,877,806.25        |                   |
| 11/01/2031 |            |        | 388,931.25    | 388,931.25            |   | 388,931.25          | 6,266,737.50      |
| 05/01/2032 | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25          |   | 6,018,931.25        |                   |
| 11/01/2032 |            |        | 248,181.25    | 248,181.25            |   | 248,181.25          | 6,267,112.50      |
| 05/01/2033 | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25          |   | 6,168,181.25        |                   |
| 11/01/2033 |            |        | 100,181.25    | 100,181.25            |   | 100,181.25          | 6,268,362.50      |
| 05/01/2034 | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25          |   | 6,265,181.25        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 6,265,181.25      |
|            | 67,265,000 |        | 32,050,512.98 | 99,315,512.98         | 3,671,325.48  | 95,644,187.50       | 95,644,187.50     |

## BOND SUMMARY STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132024%     |
| Net Interest Cost (NIC)           | 3.390600%     |
| All-In TIC                        | 3.349673%     |
| Average Coupon                    | 4.742533%     |
| Average Life (years)              | 10.047        |
| Weighted Average Maturity (years) | 10.010        |
| Duration of Issue (years)         | 8.120         |
| Par Amount                        | 67,265,000.00 |
| Bond Proceeds                     | 76,797,508.65 |
| Total Interest                    | 32,050,512.98 |
| Net Interest                      | 22,914,015.67 |
| Total Debt Service                | 99,315,512.98 |
| Maximum Annual Debt Service       | 6,270,112.50  |
| Average Annual Debt Service       | 6,158,040.76  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.582840    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 67,265,000.00 | 114.172 | 4.743%         | 10.047       | 49,660.30         |
|                | 67,265,000.00 |         |                | 10.047       | 49,660.30         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 67,265,000.00 | 67,265,000.00 | 67,265,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 9,532,508.65  | 9,532,508.65  | 9,532,508.65    |
| - Underwriter's Discount   | -396,011.34   | -396,011.34   |                 |
| - Cost of Issuance Expense |               | -417,000.00   |                 |
| - Other Amounts            |               | -896,644.32   |                 |
| Target Value               | 76,401,497.31 | 75,087,852.99 | 76,797,508.65   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132024%     | 3.349673%     | 2.644747%       |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV<br>Factor | Present Value<br>to 03/15/2018<br>@ 2.6447472168% |
|------------|---------------|---------------|--------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971  | 2,010,212.19                                      |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324  | 1,580,158.37                                      |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223  | 1,559,535.48                                      |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481  | 4,461,173.76                                      |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941  | 1,446,997.24                                      |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472  | 4,421,708.29                                      |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972  | 1,335,610.60                                      |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367  | 4,382,186.89                                      |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608  | 1,225,375.11                                      |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676  | 4,346,876.25                                      |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574  | 1,116,185.08                                      |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336  | 4,315,238.60                                      |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017  | 1,007,948.21                                      |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700  | 4,286,775.69                                      |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494  | 900,584.68  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530  | 33,205,369.32                                     |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965  | 79,861.48   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979  | 78,819.20   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777  | 77,790.52   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588  | 76,775.26   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661  | 75,773.26   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270  | 74,784.33   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713  | 73,808.31   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307  | 72,845.02   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394  | 71,894.31   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334  | 70,956.01   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513  | 70,029.95   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334  | 69,115.98   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223  | 68,213.94   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626  | 67,323.67   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009  | 66,445.01   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859  | 4,101,136.64                                      |
|            | 91,789,762.98 | 91,789,762.98 |              | 76,797,508.65                                     |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% | 05/01/2026 | 100.000    | 2.4698367%             |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% | 05/01/2026 | 100.000    | 2.5398721%             |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% | 05/01/2026 | 100.000    | 2.6497442%             |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% | 05/01/2026 | 100.000    | 2.7397341%             |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% | 05/01/2026 | 100.000    | 2.7897287%             |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% | 05/01/2026 | 100.000    | 2.8198220%             |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% | 05/01/2026 | 100.000    | 2.8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% |           |            | 2.6963777%             | 0.2265411%        |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% |           |            | 2.9364737%             | 0.3966016%        |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% |           |            | 3.1663014%             | 0.5165572%        |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% |           |            | 3.3466397%             | 0.6069056%        |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% |           |            | 3.4741604%             | 0.6844317%        |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% |           |            | 3.5716360%             | 0.7518140%        |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% |           |            | 3.6689980%             | 0.7992417%        |



## AVERAGE TAKEDOWN

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Maturity Date | Par Amount | Takedown \$/Bond | Takedown Amount |
|----------------|---------------|------------|------------------|-----------------|
| Serial Bond    | 05/01/2020    | 3,090,000  | 2.7500           | 8,497.50        |
|                | 05/01/2021    | 3,250,000  | 2.7500           | 8,937.50        |
|                | 05/01/2022    | 3,415,000  | 2.7500           | 9,391.25        |
|                | 05/01/2023    | 3,590,000  | 2.7500           | 9,872.50        |
|                | 05/01/2024    | 3,775,000  | 2.7500           | 10,381.25       |
|                | 05/01/2025    | 3,970,000  | 2.7500           | 10,917.50       |
|                | 05/01/2026    | 4,170,000  | 2.7500           | 11,467.50       |
|                | 05/01/2027    | 4,385,000  | 2.7500           | 12,058.75       |
|                | 05/01/2028    | 4,610,000  | 2.7500           | 12,677.50       |
|                | 05/01/2029    | 4,845,000  | 2.7500           | 13,323.75       |
|                | 05/01/2030    | 5,095,000  | 2.7500           | 14,011.25       |
|                | 05/01/2031    | 5,355,000  | 2.7500           | 14,726.25       |
|                | 05/01/2032    | 5,630,000  | 2.7500           | 15,482.50       |
|                | 05/01/2033    | 5,920,000  | 2.7500           | 16,280.00       |
|                | 05/01/2034    | 6,165,000  | 2.7500           | 16,953.75       |
|                |               | 67,265,000 | 2.7500           | 184,978.75      |

## UNDERWRITER'S DISCOUNT

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Underwriter's Discount | \$/1000 | Amount     |
|------------------------|---------|------------|
| Average Takedown       | 2 75000 | 184,978.75 |
| Structuring            | 2 00000 | 134,530.00 |
| Underwriter's Counsel  | 1 00000 | 67,265.00  |
| Ipreo Book Running     | 0.06728 | 4,525.91   |
| Ipreo Order Monitor    | 0.03266 | 2,197.04   |
| Ipreo Wire Charges     | 0.00267 | 179.64     |
| DTC Charges            | 0.01189 | 800.00     |
| CUSIP                  | 0 00743 | 500.00     |
| CUSIP Disclosure Fee   | 0.00052 | 35.00      |
| Miscellaneous          | 0 01487 | 1,000.00   |
|                        | 5 88733 | 396,011.34 |

## COST OF ISSUANCE

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Cost of Issuance                             | \$/1000 | Amount     |
|--|---------|------------|
| Barclay Damon(Bond Counsel)                  | 1.85832 | 125,000 00 |
| Trespasz & Marquardt (SJSCB's Counsel)       | 0.96633 | 65,000.00  |
| Trustee (M&T)                                | 0.08177 | 5,500 00   |
| Trustee's Counsel (Hodgson Russ)             | 0.11893 | 8,000.00   |
| Bonadio (Auditor)                            | 0.08920 | 6,000 00   |
| Financial Advisor (Capital Markets Advisors) | 0.89199 | 60,000 00  |
| Moody's                                      | 0.63926 | 43,000 00  |
| S&P Global                                   | 0.53520 | 36,000 00  |
| Fitch Ratings                                | 0.59466 | 40,000 00  |
| MBBA   | 0.14867 | 10,000.00  |
| MBBA's Financial Advisor                     | 0.14867 | 10,000.00  |
| Printer (ImageMaster)                        | 0.07433 | 5,000.00   |
| Miscellaneous                                | 0.05203 | 3,500.00   |
|  | 6.19936 | 417,000 00 |

## SOURCES AND USES OF FUNDS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

## Sources:

|   |                      |
|---|----------------------|
| <b>Bond Proceeds</b>                          |                      |
| Par Amount                                    | 18,830,000.00        |
| Net Premium                                   | <u>2,665,170.45</u>  |
|   | 21,495,170.45        |
| <b>Other Sources of Funds:</b>                |                      |
| SCSD Contribution for BAN Interest Repayment  | 17,778.55            |
| SCSD Contribution for BAN Principal Repayment | <u>145,572.92</u>    |
|   | 163,351.47           |
|   | <u>21,658,521.92</u> |

## Uses

|  |                      |
|--|----------------------|
| <b>Project Fund Deposits</b>                   |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494.12         |
| Deposit to Series 2018A Project Account        | <u>17,912,617.54</u> |
|  | 19,989,111.66        |
| <b>Other Fund Deposits:</b>                    |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778.55            |
| BAN Principal Repayment from SCSD Contribution | 145,572.92           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,027,461.94</u>  |
|  | 1,190,813.41         |
| <b>Delivery Date Expenses</b>                  |                      |
| Cost of Issuance                               | 116,733.98           |
| Underwriter's Discount                         | 110,858.45           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854.42           |
| SIDA Fee (\$5 per Bond)                        | <u>94,150.00</u>     |
|  | 478,596.85           |
|  | <u>21,658,521.92</u> |

BOND PRICING

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 865,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 63,145.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 915,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 91,866.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 960,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 117,993.60          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,000,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 144,960.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,060,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 176,521.80          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,100,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 198,946.00          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,155,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 227,107.65          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,240,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 229,697.60          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,275,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 228,977.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,355,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 231,420.45          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,440,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 235,641.60          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,510,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 241,131.90          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,575,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 247,779.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,640,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 251,576.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,740,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -21,593.40          | 2.750    |
|                |               |           | 18,830,000 |        |        |           |                   |            |            | 2,665,170.45        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 18,830,000.00 |             |
| Premium                | 2,665,170.45  |             |
| Production             | 21,495,170.45 | 114.153853% |
| Underwriter's Discount | -110,858.45   | -0.588733%  |
| Purchase Price         | 21,384,312.00 | 113.565119% |
| Accrued Interest       |               |             |
| Net Proceeds           | 21,384,312.00 |             |

## BOND DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period Ending | Principal  | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|------------|--------|--------------|---------------|---------------------|
| 11/01/2018    |            |        | 571,936.94   | 571,936.94    | 571,936.94          |
| 05/01/2019    |            |        | 455,525.00   | 455,525.00    |                     |
| 11/01/2019    |            |        | 455,525.00   | 455,525.00    | 911,050.00          |
| 05/01/2020    | 865,000    | 5.000% | 455,525.00   | 1,320,525.00  |                     |
| 11/01/2020    |            |        | 433,900.00   | 433,900.00    | 1,754,425.00        |
| 05/01/2021    | 915,000    | 5.000% | 433,900.00   | 1,348,900.00  |                     |
| 11/01/2021    |            |        | 411,025.00   | 411,025.00    | 1,759,925.00        |
| 05/01/2022    | 960,000    | 5.000% | 411,025.00   | 1,371,025.00  |                     |
| 11/01/2022    |            |        | 387,025.00   | 387,025.00    | 1,758,050.00        |
| 05/01/2023    | 1,000,000  | 5.000% | 387,025.00   | 1,387,025.00  |                     |
| 11/01/2023    |            |        | 362,025.00   | 362,025.00    | 1,749,050.00        |
| 05/01/2024    | 1,060,000  | 5.000% | 362,025.00   | 1,422,025.00  |                     |
| 11/01/2024    |            |        | 335,525.00   | 335,525.00    | 1,757,550.00        |
| 05/01/2025    | 1,100,000  | 5.000% | 335,525.00   | 1,435,525.00  |                     |
| 11/01/2025    |            |        | 308,025.00   | 308,025.00    | 1,743,550.00        |
| 05/01/2026    | 1,155,000  | 5.000% | 308,025.00   | 1,463,025.00  |                     |
| 11/01/2026    |            |        | 279,150.00   | 279,150.00    | 1,742,175.00        |
| 05/01/2027    | 1,240,000  | 5.000% | 279,150.00   | 1,519,150.00  |                     |
| 11/01/2027    |            |        | 248,150.00   | 248,150.00    | 1,767,300.00        |
| 05/01/2028    | 1,275,000  | 5.000% | 248,150.00   | 1,523,150.00  |                     |
| 11/01/2028    |            |        | 216,275.00   | 216,275.00    | 1,739,425.00        |
| 05/01/2029    | 1,355,000  | 5.000% | 216,275.00   | 1,571,275.00  |                     |
| 11/01/2029    |            |        | 182,400.00   | 182,400.00    | 1,753,675.00        |
| 05/01/2030    | 1,440,000  | 5.000% | 182,400.00   | 1,622,400.00  |                     |
| 11/01/2030    |            |        | 146,400.00   | 146,400.00    | 1,768,800.00        |
| 05/01/2031    | 1,510,000  | 5.000% | 146,400.00   | 1,656,400.00  |                     |
| 11/01/2031    |            |        | 108,650.00   | 108,650.00    | 1,765,050.00        |
| 05/01/2032    | 1,575,000  | 5.000% | 108,650.00   | 1,683,650.00  |                     |
| 11/01/2032    |            |        | 69,275.00    | 69,275.00     | 1,752,925.00        |
| 05/01/2033    | 1,640,000  | 5.000% | 69,275.00    | 1,709,275.00  |                     |
| 11/01/2033    |            |        | 28,275.00    | 28,275.00     | 1,737,550.00        |
| 05/01/2034    | 1,740,000  | 3.250% | 28,275.00    | 1,768,275.00  |                     |
| 11/01/2034    |            |        |              |               | 1,768,275.00        |
|               | 18,830,000 |        | 8,970,711.94 | 27,800,711.94 | 27,800,711.94       |

## NET DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 571,936.94   | 571,936.94            | 571,936.94  |                     |                   |
| 05/01/2019 |            |        | 455,525.00   | 455,525.00            | 455,525.00  |                     |                   |
| 11/01/2019 |            |        | 455,525.00   | 455,525.00            |   | 455,525             | 455,525           |
| 05/01/2020 | 865,000    | 5 000% | 455,525.00   | 1,320,525.00          |   | 1,320,525           |                   |
| 11/01/2020 |            |        | 433,900.00   | 433,900.00            |   | 433,900             | 1,754,425         |
| 05/01/2021 | 915,000    | 5 000% | 433,900.00   | 1,348,900.00          |   | 1,348,900           |                   |
| 11/01/2021 |            |        | 411,025.00   | 411,025.00            |   | 411,025             | 1,759,925         |
| 05/01/2022 | 960,000    | 5 000% | 411,025.00   | 1,371,025.00          |   | 1,371,025           |                   |
| 11/01/2022 |            |        | 387,025.00   | 387,025.00            |   | 387,025             | 1,758,050         |
| 05/01/2023 | 1,000,000  | 5.000% | 387,025.00   | 1,387,025.00          |   | 1,387,025           |                   |
| 11/01/2023 |            |        | 362,025.00   | 362,025.00            |   | 362,025             | 1,749,050         |
| 05/01/2024 | 1,060,000  | 5.000% | 362,025.00   | 1,422,025.00          |   | 1,422,025           |                   |
| 11/01/2024 |            |        | 335,525.00   | 335,525.00            |   | 335,525             | 1,757,550         |
| 05/01/2025 | 1,100,000  | 5 000% | 335,525.00   | 1,435,525.00          |   | 1,435,525           |                   |
| 11/01/2025 |            |        | 308,025.00   | 308,025.00            |   | 308,025             | 1,743,550         |
| 05/01/2026 | 1,155,000  | 5.000% | 308,025.00   | 1,463,025.00          |   | 1,463,025           |                   |
| 11/01/2026 |            |        | 279,150.00   | 279,150.00            |   | 279,150             | 1,742,175         |
| 05/01/2027 | 1,240,000  | 5.000% | 279,150.00   | 1,519,150.00          |   | 1,519,150           |                   |
| 11/01/2027 |            |        | 248,150.00   | 248,150.00            |   | 248,150             | 1,767,300         |
| 05/01/2028 | 1,275,000  | 5 000% | 248,150.00   | 1,523,150.00          |   | 1,523,150           |                   |
| 11/01/2028 |            |        | 216,275.00   | 216,275.00            |   | 216,275             | 1,739,425         |
| 05/01/2029 | 1,355,000  | 5 000% | 216,275.00   | 1,571,275.00          |   | 1,571,275           |                   |
| 11/01/2029 |            |        | 182,400.00   | 182,400.00            |   | 182,400             | 1,753,675         |
| 05/01/2030 | 1,440,000  | 5 000% | 182,400.00   | 1,622,400.00          |   | 1,622,400           |                   |
| 11/01/2030 |            |        | 146,400.00   | 146,400.00            |   | 146,400             | 1,768,800         |
| 05/01/2031 | 1,510,000  | 5 000% | 146,400.00   | 1,656,400.00          |   | 1,656,400           |                   |
| 11/01/2031 |            |        | 108,650.00   | 108,650.00            |   | 108,650             | 1,765,050         |
| 05/01/2032 | 1,575,000  | 5 000% | 108,650.00   | 1,683,650.00          |   | 1,683,650           |                   |
| 11/01/2032 |            |        | 69,275.00    | 69,275.00             |   | 69,275              | 1,752,925         |
| 05/01/2033 | 1,640,000  | 5.000% | 69,275.00    | 1,709,275.00          |   | 1,709,275           |                   |
| 11/01/2033 |            |        | 28,275.00    | 28,275.00             |   | 28,275              | 1,737,550         |
| 05/01/2034 | 1,740,000  | 3 250% | 28,275.00    | 1,768,275.00          |   | 1,768,275           |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,768,275         |
|            | 18,830,000 |        | 8,970,711.94 | 27,800,711.94         | 1,027,461.94  | 26,773,250          | 26,773,250        |

## BOND SUMMARY STATISTICS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132505%     |
| Net Interest Cost (NIC)           | 3.390686%     |
| All-In TIC                        | 3.350144%     |
| Average Coupon                    | 4.740488%     |
| Average Life (years)              | 10.050        |
| Weighted Average Maturity (years) | 10.012        |
| Duration of Issue (years)         | 8.121         |
| Par Amount                        | 18,830,000.00 |
| Bond Proceeds                     | 21,495,170.45 |
| Total Interest                    | 8,970,711.94  |
| Net Interest                      | 6,416,399.94  |
| Total Debt Service                | 27,800,711.94 |
| Maximum Annual Debt Service       | 1,768,800.00  |
| Average Annual Debt Service       | 1,723,778.21  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.565119    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 18,830,000.00 | 114.154 | 4.740%         | 10.050       | 13,905.75         |
|                | 18,830,000.00 |         |                | 10.050       | 13,905.75         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 18,830,000.00 | 18,830,000.00 | 18,830,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,665,170.45  | 2,665,170.45  | 2,665,170.45    |
| - Underwriter's Discount   | -110,858.45   | -110,858.45   |                 |
| - Cost of Issuance Expense |               | -116,733.98   |                 |
| - Other Amounts            |               | -251,004.42   |                 |
| Target Value               | 21,384,312.00 | 21,016,573.60 | 21,495,170.45   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132505%     | 3.350144%     | 2.644747%       |



## SOURCES AND USES OF FUNDS

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 19,800,000 00        |
| Net Premium                                   | <u>2,808,185 95</u>  |
|   | 22,608,185.95        |
| Other Sources of Funds.                       |                      |
| SCSD Contribution for BAN Interest Repayment  | 18,688.15            |
| SCSD Contribution for BAN Principal Repayment | <u>153,020 83</u>    |
|   | 171,708.98           |
|   | <u>22,779,894 93</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits.                         |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,182,733 36         |
| Deposit to Series 2018A Project Account        | <u>18,841,522 56</u> |
|  | 21,024,255 92        |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 18,688.15            |
| BAN Principal Repayment from SCSD Contribution | 153,020.83           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,080,678 96</u>  |
|  | 1,252,387 94         |
| Delivery Date Expenses:                        |                      |
| Cost of Issuance                               | 122,747 35           |
| Underwriter's Discount                         | 116,569.17           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 164,934 55           |
| SIDA Fee (\$5 per Bond)                        | <u>99,000 00</u>     |
|  | 503,251 07           |
|  | <u>22,779,894.93</u> |

BOND PRICING

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond:   |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 900,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 65,700.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 950,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 95,380.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 995,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 122,295.45          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,065,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 154,382.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,100,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 183,183.00          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,170,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 211,606.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,240,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 243,821.20          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,285,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 238,033.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,375,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 246,936.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,440,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 245,937.60          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,510,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 247,096.40          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,560,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 249,116.40          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,640,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 258,004.80          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,755,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 269,217.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,815,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -22,524.15          | 2.750    |
|                |               |           | 19,800,000 |        |        |           |                   |            |            | 2,808,185.95        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 19,800,000.00 |             |
| Premium                | 2,808,185.95  |             |
| Production             | 22,608,185.95 | 114.182757% |
| Underwriter's Discount | -116,569.17   | -0.588733%  |
| Purchase Price         | 22,491,616.78 | 113.594024% |
| Accrued Interest       |               |             |
| Net Proceeds           | 22,491,616.78 |             |

## BOND DEBT SERVICE

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date 03/15/2018  
Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|------------|--------|--------------|---------------|---------------------|
| 11/01/2018    |            |        | 601,560.21   | 601,560.21    | 601,560.21          |
| 05/01/2019    |            |        | 479,118.75   | 479,118.75    |                     |
| 11/01/2019    |            |        | 479,118.75   | 479,118.75    | 958,237.50          |
| 05/01/2020    | 900,000    | 5.000% | 479,118.75   | 1,379,118.75  |                     |
| 11/01/2020    |            |        | 456,618.75   | 456,618.75    | 1,835,737.50        |
| 05/01/2021    | 950,000    | 5.000% | 456,618.75   | 1,406,618.75  |                     |
| 11/01/2021    |            |        | 432,868.75   | 432,868.75    | 1,839,487.50        |
| 05/01/2022    | 995,000    | 5.000% | 432,868.75   | 1,427,868.75  |                     |
| 11/01/2022    |            |        | 407,993.75   | 407,993.75    | 1,835,862.50        |
| 05/01/2023    | 1,065,000  | 5.000% | 407,993.75   | 1,472,993.75  |                     |
| 11/01/2023    |            |        | 381,368.75   | 381,368.75    | 1,854,362.50        |
| 05/01/2024    | 1,100,000  | 5.000% | 381,368.75   | 1,481,368.75  |                     |
| 11/01/2024    |            |        | 353,868.75   | 353,868.75    | 1,835,237.50        |
| 05/01/2025    | 1,170,000  | 5.000% | 353,868.75   | 1,523,868.75  |                     |
| 11/01/2025    |            |        | 324,618.75   | 324,618.75    | 1,848,487.50        |
| 05/01/2026    | 1,240,000  | 5.000% | 324,618.75   | 1,564,618.75  |                     |
| 11/01/2026    |            |        | 293,618.75   | 293,618.75    | 1,858,237.50        |
| 05/01/2027    | 1,285,000  | 5.000% | 293,618.75   | 1,578,618.75  |                     |
| 11/01/2027    |            |        | 261,493.75   | 261,493.75    | 1,840,112.50        |
| 05/01/2028    | 1,375,000  | 5.000% | 261,493.75   | 1,636,493.75  |                     |
| 11/01/2028    |            |        | 227,118.75   | 227,118.75    | 1,863,612.50        |
| 05/01/2029    | 1,440,000  | 5.000% | 227,118.75   | 1,667,118.75  |                     |
| 11/01/2029    |            |        | 191,118.75   | 191,118.75    | 1,858,237.50        |
| 05/01/2030    | 1,510,000  | 5.000% | 191,118.75   | 1,701,118.75  |                     |
| 11/01/2030    |            |        | 153,368.75   | 153,368.75    | 1,854,487.50        |
| 05/01/2031    | 1,560,000  | 5.000% | 153,368.75   | 1,713,368.75  |                     |
| 11/01/2031    |            |        | 114,368.75   | 114,368.75    | 1,827,737.50        |
| 05/01/2032    | 1,640,000  | 5.000% | 114,368.75   | 1,754,368.75  |                     |
| 11/01/2032    |            |        | 73,368.75    | 73,368.75     | 1,827,737.50        |
| 05/01/2033    | 1,755,000  | 5.000% | 73,368.75    | 1,828,368.75  |                     |
| 11/01/2033    |            |        | 29,493.75    | 29,493.75     | 1,857,862.50        |
| 05/01/2034    | 1,815,000  | 3.250% | 29,493.75    | 1,844,493.75  |                     |
| 11/01/2034    |            |        |              |               | 1,844,493.75        |
|               | 19,800,000 |        | 9,441,491.46 | 29,241,491.46 | 29,241,491.46       |

## NET DEBT SERVICE

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 601,560.21   | 601,560.21            | 601,560.21  |                     |                   |
| 05/01/2019 |            |        | 479,118.75   | 479,118.75            | 479,118.75  |                     |                   |
| 11/01/2019 |            |        | 479,118.75   | 479,118.75            |   | 479,118.75          | 479,118.75        |
| 05/01/2020 | 900,000    | 5.000% | 479,118.75   | 1,379,118.75          |   | 1,379,118.75        |                   |
| 11/01/2020 |            |        | 456,618.75   | 456,618.75            |   | 456,618.75          | 1,835,737.50      |
| 05/01/2021 | 950,000    | 5.000% | 456,618.75   | 1,406,618.75          |   | 1,406,618.75        |                   |
| 11/01/2021 |            |        | 432,868.75   | 432,868.75            |   | 432,868.75          | 1,839,487.50      |
| 05/01/2022 | 995,000    | 5.000% | 432,868.75   | 1,427,868.75          |   | 1,427,868.75        |                   |
| 11/01/2022 |            |        | 407,993.75   | 407,993.75            |   | 407,993.75          | 1,835,862.50      |
| 05/01/2023 | 1,065,000  | 5.000% | 407,993.75   | 1,472,993.75          |   | 1,472,993.75        |                   |
| 11/01/2023 |            |        | 381,368.75   | 381,368.75            |   | 381,368.75          | 1,854,362.50      |
| 05/01/2024 | 1,100,000  | 5.000% | 381,368.75   | 1,481,368.75          |   | 1,481,368.75        |                   |
| 11/01/2024 |            |        | 353,868.75   | 353,868.75            |   | 353,868.75          | 1,835,237.50      |
| 05/01/2025 | 1,170,000  | 5.000% | 353,868.75   | 1,523,868.75          |   | 1,523,868.75        |                   |
| 11/01/2025 |            |        | 324,618.75   | 324,618.75            |   | 324,618.75          | 1,848,487.50      |
| 05/01/2026 | 1,240,000  | 5.000% | 324,618.75   | 1,564,618.75          |   | 1,564,618.75        |                   |
| 11/01/2026 |            |        | 293,618.75   | 293,618.75            |   | 293,618.75          | 1,858,237.50      |
| 05/01/2027 | 1,285,000  | 5.000% | 293,618.75   | 1,578,618.75          |   | 1,578,618.75        |                   |
| 11/01/2027 |            |        | 261,493.75   | 261,493.75            |   | 261,493.75          | 1,840,112.50      |
| 05/01/2028 | 1,375,000  | 5.000% | 261,493.75   | 1,636,493.75          |   | 1,636,493.75        |                   |
| 11/01/2028 |            |        | 227,118.75   | 227,118.75            |   | 227,118.75          | 1,863,612.50      |
| 05/01/2029 | 1,440,000  | 5.000% | 227,118.75   | 1,667,118.75          |   | 1,667,118.75        |                   |
| 11/01/2029 |            |        | 191,118.75   | 191,118.75            |   | 191,118.75          | 1,858,237.50      |
| 05/01/2030 | 1,510,000  | 5.000% | 191,118.75   | 1,701,118.75          |   | 1,701,118.75        |                   |
| 11/01/2030 |            |        | 153,368.75   | 153,368.75            |   | 153,368.75          | 1,854,487.50      |
| 05/01/2031 | 1,560,000  | 5.000% | 153,368.75   | 1,713,368.75          |   | 1,713,368.75        |                   |
| 11/01/2031 |            |        | 114,368.75   | 114,368.75            |   | 114,368.75          | 1,827,737.50      |
| 05/01/2032 | 1,640,000  | 5.000% | 114,368.75   | 1,754,368.75          |   | 1,754,368.75        |                   |
| 11/01/2032 |            |        | 73,368.75    | 73,368.75             |   | 73,368.75           | 1,827,737.50      |
| 05/01/2033 | 1,755,000  | 5.000% | 73,368.75    | 1,828,368.75          |   | 1,828,368.75        |                   |
| 11/01/2033 |            |        | 29,493.75    | 29,493.75             |   | 29,493.75           | 1,857,862.50      |
| 05/01/2034 | 1,815,000  | 3.250% | 29,493.75    | 1,844,493.75          |   | 1,844,493.75        |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,844,493.75      |
|            | 19,800,000 |        | 9,441,491.46 | 29,241,491.46         | 1,080,678.96  | 28,160,812.50       | 28,160,812.50     |

## BOND SUMMARY STATISTICS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132008%     |
| Net Interest Cost (NIC)           | 3.390619%     |
| All-In TIC                        | 3.349494%     |
| Average Coupon                    | 4.742681%     |
| Average Life (years)              | 10.054        |
| Weighted Average Maturity (years) | 10.016        |
| Duration of Issue (years)         | 8.125         |
| Par Amount                        | 19,800,000.00 |
| Bond Proceeds                     | 22,608,185.95 |
| Total Interest                    | 9,441,491.46  |
| Net Interest                      | 6,749,874.68  |
| Total Debt Service                | 29,241,491.46 |
| Maximum Annual Debt Service       | 1,863,612.50  |
| Average Annual Debt Service       | 1,813,113.49  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137332      |
| Total Underwriter's Discount      | 5.887332      |
| Bid Price                         | 113.594024    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 19,800,000.00 | 114.183 | 4.743%         | 10.054       | 14,630.70         |
|                | 19,800,000.00 |         |                | 10.054       | 14,630.70         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 19,800,000.00 | 19,800,000.00 | 19,800,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,808,185.95  | 2,808,185.95  | 2,808,185.95    |
| - Underwriter's Discount   | -116,569.17   | -116,569.17   |                 |
| - Cost of Issuance Expense |               | -122,747.35   |                 |
| - Other Amounts            |               | -263,934.55   |                 |
| Target Value               | 22,491,616.78 | 22,104,934.88 | 22,608,185.95   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132008%     | 3.349494%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources:

|   |                     |
|---|---------------------|
| <b>Bond Proceeds</b>                          |                     |
| Par Amount                                    | 6,215,000.00        |
| Net Premium                                   | 880,862.75          |
|   | <u>7,095,862.75</u> |
| <b>Other Sources of Funds</b>                 |                     |
| SCSD Contribution for BAN Interest Repayment  | 5,871.06            |
| SCSD Contribution for BAN Principal Repayment | 48,072.92           |
|   | <u>53,943.98</u>    |
|   | <u>7,149,806.73</u> |

## Uses:

|  |                     |
|--|---------------------|
| <b>Project Fund Deposits</b>                   |                     |
| BAN Principal Repayment from Bond Proceeds     | 685,725.79          |
| Deposit to Series 2018A Project Account        | 5,913,063.35        |
|  | <u>6,598,789.14</u> |
| <b>Other Fund Deposits</b>                     |                     |
| BAN Interest Repayment from SCSD Contribution  | 5,871.06            |
| BAN Principal Repayment from SCSD Contribution | 48,072.92           |
| Capitalized Interest Fund (through 5/1/2019)   | 339,108.68          |
|  | <u>393,052.66</u>   |
| <b>Delivery Date Expenses:</b>                 |                     |
| Cost of Issuance                               | 38,529.04           |
| Underwriter's Discount                         | 36,589.77           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 51,771.12           |
| SIDA Fee (\$5 per Bond)                        | 31,075.00           |
|  | <u>157,964.93</u>   |
|  | <u>7,149,806.73</u> |

BOND PRICING

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount    | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|-----------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond:   |               |           |           |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 285,000   | 5.000% | 1.500% | 107.300   |                   |            |            | 20,805.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 295,000   | 5.000% | 1.690% | 110.040   |                   |            |            | 29,618.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 310,000   | 5.000% | 1.890% | 112.291   |                   |            |            | 38,102.10           | 2.750    |
|                | 05/01/2023    | 871683CX4 | 325,000   | 5.000% | 2.010% | 114.496   |                   |            |            | 47,112.00           | 2.750    |
|                | 05/01/2024    | 871683CY2 | 345,000   | 5.000% | 2.090% | 116.653   |                   |            |            | 57,452.85           | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 365,000   | 5.000% | 2.240% | 118.086   |                   |            |            | 66,013.90           | 2.750    |
|                | 05/01/2026    | 871683DA3 | 390,000   | 5.000% | 2.330% | 119.663   |                   |            |            | 76,685.70           | 2.750    |
|                | 05/01/2027    | 871683DB1 | 410,000   | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 75,948.40           | 2.750    |
|                | 05/01/2028    | 871683DC9 | 430,000   | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 77,223.70           | 2.750    |
|                | 05/01/2029    | 871683DD7 | 455,000   | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 77,709.45           | 2.750    |
|                | 05/01/2030    | 871683DE5 | 465,000   | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 76,092.60           | 2.750    |
|                | 05/01/2031    | 871683DF2 | 500,000   | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 79,845.00           | 2.750    |
|                | 05/01/2032    | 871683DG0 | 515,000   | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 81,019.80           | 2.750    |
|                | 05/01/2033    | 871683DH8 | 550,000   | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 84,370.00           | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 575,000   | 3.250% | 3.350% | 98.759    |                   |            |            | -7,135.75           | 2.750    |
|                |               |           | 6,215,000 |        |        |           |                   |            |            | 880,862.75          |          |

|                        |              |             |
|------------------------|--------------|-------------|
| Dated Date             | 03/15/2018   |             |
| Delivery Date          | 03/15/2018   |             |
| First Coupon           | 11/01/2018   |             |
| Par Amount             | 6,215,000.00 |             |
| Premium                | 880,862.75   |             |
| Production             | 7,095,862.75 | 114.173174% |
| Underwriter's Discount | -36,589.77   | -0.588733%  |
| Purchase Price         | 7,059,272.98 | 113.584441% |
| Accrued Interest       |              |             |
| Net Proceeds           | 7,059,272.98 |             |

## BOND DEBT SERVICE

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal | Coupon | Interest     | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 11/01/2018    |           |        | 188,764.93   | 188,764.93   | 188,764.93          |
| 05/01/2019    |           |        | 150,343.75   | 150,343.75   |                     |
| 11/01/2019    |           |        | 150,343.75   | 150,343.75   | 300,687.50          |
| 05/01/2020    | 285,000   | 5.000% | 150,343.75   | 435,343.75   |                     |
| 11/01/2020    |           |        | 143,218.75   | 143,218.75   | 578,562.50          |
| 05/01/2021    | 295,000   | 5.000% | 143,218.75   | 438,218.75   |                     |
| 11/01/2021    |           |        | 135,843.75   | 135,843.75   | 574,062.50          |
| 05/01/2022    | 310,000   | 5.000% | 135,843.75   | 445,843.75   |                     |
| 11/01/2022    |           |        | 128,093.75   | 128,093.75   | 573,937.50          |
| 05/01/2023    | 325,000   | 5.000% | 128,093.75   | 453,093.75   |                     |
| 11/01/2023    |           |        | 119,968.75   | 119,968.75   | 573,062.50          |
| 05/01/2024    | 345,000   | 5.000% | 119,968.75   | 464,968.75   |                     |
| 11/01/2024    |           |        | 111,343.75   | 111,343.75   | 576,312.50          |
| 05/01/2025    | 365,000   | 5.000% | 111,343.75   | 476,343.75   |                     |
| 11/01/2025    |           |        | 102,218.75   | 102,218.75   | 578,562.50          |
| 05/01/2026    | 390,000   | 5.000% | 102,218.75   | 492,218.75   |                     |
| 11/01/2026    |           |        | 92,468.75    | 92,468.75    | 584,687.50          |
| 05/01/2027    | 410,000   | 5.000% | 92,468.75    | 502,468.75   |                     |
| 11/01/2027    |           |        | 82,218.75    | 82,218.75    | 584,687.50          |
| 05/01/2028    | 430,000   | 5.000% | 82,218.75    | 512,218.75   |                     |
| 11/01/2028    |           |        | 71,468.75    | 71,468.75    | 583,687.50          |
| 05/01/2029    | 455,000   | 5.000% | 71,468.75    | 526,468.75   |                     |
| 11/01/2029    |           |        | 60,093.75    | 60,093.75    | 586,562.50          |
| 05/01/2030    | 465,000   | 5.000% | 60,093.75    | 525,093.75   |                     |
| 11/01/2030    |           |        | 48,468.75    | 48,468.75    | 573,562.50          |
| 05/01/2031    | 500,000   | 5.000% | 48,468.75    | 548,468.75   |                     |
| 11/01/2031    |           |        | 35,968.75    | 35,968.75    | 584,437.50          |
| 05/01/2032    | 515,000   | 5.000% | 35,968.75    | 550,968.75   |                     |
| 11/01/2032    |           |        | 23,093.75    | 23,093.75    | 574,062.50          |
| 05/01/2033    | 550,000   | 5.000% | 23,093.75    | 573,093.75   |                     |
| 11/01/2033    |           |        | 9,343.75     | 9,343.75     | 582,437.50          |
| 05/01/2034    | 575,000   | 3.250% | 9,343.75     | 584,343.75   |                     |
| 11/01/2034    |           |        |              |              | 584,343.75          |
|               | 6,215,000 |        | 2,967,421.18 | 9,182,421.18 | 9,182,421.18        |



## NET DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

| Date       | Principal | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|-----------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |           |        | 188,764.93   | 188,764.93            | 188,764.93  |                     |                   |
| 05/01/2019 |           |        | 150,343.75   | 150,343.75            | 150,343.75  |                     |                   |
| 11/01/2019 |           |        | 150,343.75   | 150,343.75            |   | 150,343.75          | 150,343.75        |
| 05/01/2020 | 285,000   | 5.000% | 150,343.75   | 435,343.75            |   | 435,343.75          |                   |
| 11/01/2020 |           |        | 143,218.75   | 143,218.75            |   | 143,218.75          | 578,562.50        |
| 05/01/2021 | 295,000   | 5.000% | 143,218.75   | 438,218.75            |   | 438,218.75          |                   |
| 11/01/2021 |           |        | 135,843.75   | 135,843.75            |   | 135,843.75          | 574,062.50        |
| 05/01/2022 | 310,000   | 5.000% | 135,843.75   | 445,843.75            |   | 445,843.75          |                   |
| 11/01/2022 |           |        | 128,093.75   | 128,093.75            |   | 128,093.75          | 573,937.50        |
| 05/01/2023 | 325,000   | 5.000% | 128,093.75   | 453,093.75            |   | 453,093.75          |                   |
| 11/01/2023 |           |        | 119,968.75   | 119,968.75            |   | 119,968.75          | 573,062.50        |
| 05/01/2024 | 345,000   | 5.000% | 119,968.75   | 464,968.75            |   | 464,968.75          |                   |
| 11/01/2024 |           |        | 111,343.75   | 111,343.75            |   | 111,343.75          | 576,312.50        |
| 05/01/2025 | 365,000   | 5.000% | 111,343.75   | 476,343.75            |   | 476,343.75          |                   |
| 11/01/2025 |           |        | 102,218.75   | 102,218.75            |   | 102,218.75          | 578,562.50        |
| 05/01/2026 | 390,000   | 5.000% | 102,218.75   | 492,218.75            |   | 492,218.75          |                   |
| 11/01/2026 |           |        | 92,468.75    | 92,468.75             |   | 92,468.75           | 584,687.50        |
| 05/01/2027 | 410,000   | 5.000% | 92,468.75    | 502,468.75            |   | 502,468.75          |                   |
| 11/01/2027 |           |        | 82,218.75    | 82,218.75             |   | 82,218.75           | 584,687.50        |
| 05/01/2028 | 430,000   | 5.000% | 82,218.75    | 512,218.75            |   | 512,218.75          |                   |
| 11/01/2028 |           |        | 71,468.75    | 71,468.75             |   | 71,468.75           | 583,687.50        |
| 05/01/2029 | 455,000   | 5.000% | 71,468.75    | 526,468.75            |   | 526,468.75          |                   |
| 11/01/2029 |           |        | 60,093.75    | 60,093.75             |   | 60,093.75           | 586,562.50        |
| 05/01/2030 | 465,000   | 5.000% | 60,093.75    | 525,093.75            |   | 525,093.75          |                   |
| 11/01/2030 |           |        | 48,468.75    | 48,468.75             |   | 48,468.75           | 573,562.50        |
| 05/01/2031 | 500,000   | 5.000% | 48,468.75    | 548,468.75            |   | 548,468.75          |                   |
| 11/01/2031 |           |        | 35,968.75    | 35,968.75             |   | 35,968.75           | 584,437.50        |
| 05/01/2032 | 515,000   | 5.000% | 35,968.75    | 550,968.75            |   | 550,968.75          |                   |
| 11/01/2032 |           |        | 23,093.75    | 23,093.75             |   | 23,093.75           | 574,062.50        |
| 05/01/2033 | 550,000   | 5.000% | 23,093.75    | 573,093.75            |   | 573,093.75          |                   |
| 11/01/2033 |           |        | 9,343.75     | 9,343.75              |   | 9,343.75            | 582,437.50        |
| 05/01/2034 | 575,000   | 3.250% | 9,343.75     | 584,343.75            |   | 584,343.75          |                   |
| 11/01/2034 |           |        |              |                       |   |                     | 584,343.75        |
|            | 6,215,000 |        | 2,967,421.18 | 9,182,421.18          | 339,108.68  | 8,843,312.50        | 8,843,312.50      |

## BOND SUMMARY STATISTICS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

|                                   |              |
|-----------------------------------|--------------|
| Dated Date                        | 03/15/2018   |
| Delivery Date                     | 03/15/2018   |
| First Coupon                      | 11/01/2018   |
| Last Maturity                     | 05/01/2034   |
| Arbitrage Yield                   | 2.644747%    |
| True Interest Cost (TIC)          | 3.133599%    |
| Net Interest Cost (NIC)           | 3.391928%    |
| All-In TIC                        | 3.350800%    |
| Average Coupon                    | 4.740733%    |
| Average Life (years)              | 10.071       |
| Weighted Average Maturity (years) | 10.033       |
| Duration of Issue (years)         | 8.136        |
| Par Amount                        | 6,215,000.00 |
| Bond Proceeds                     | 7,095,862.75 |
| Total Interest                    | 2,967,421.18 |
| Net Interest                      | 2,123,148.20 |
| Total Debt Service                | 9,182,421.18 |
| Maximum Annual Debt Service       | 586,562.50   |
| Average Annual Debt Service       | 569,354.40   |
| Underwriter's Fees (per \$1000)   |              |
| Average Takedown                  | 2.750000     |
| Other Fee                         | 3.137332     |
| Total Underwriter's Discount      | 5.887332     |
| Bid Price                         | 113.584441   |

| Bond Component | Par Value    | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 6,215,000.00 | 114.173 | 4.741%         | 10.071       | 4,598.45          |
|                | 6,215,000.00 |         |                | 10.071       | 4,598.45          |

|                            | TIC          | All-In TIC   | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value                  | 6,215,000.00 | 6,215,000.00 | 6,215,000.00    |
| + Accrued Interest         |              |              |                 |
| + Premium (Discount)       | 880,862.75   | 880,862.75   | 880,862.75      |
| - Underwriter's Discount   | -36,589.77   | -36,589.77   |                 |
| - Cost of Issuance Expense |              | -38,529.04   |                 |
| - Other Amounts            |              | -82,846.12   |                 |
| Target Value               | 7,059,272.98 | 6,937,897.82 | 7,095,862.75    |
| Target Date                | 03/15/2018   | 03/15/2018   | 03/15/2018      |
| Yield                      | 3.133599%    | 3.350800%    | 2.644747%       |

## SOURCES AND USES OF FUNDS

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018; Preliminary, subject to change

## Sources.

|   |                      |
|---|----------------------|
| <u>Bond Proceeds</u>                          |                      |
| Par Amount                                    | 22,420,000 00        |
| Net Premium                                   | <u>3,178,289.50</u>  |
|   | 25,598,289 50        |
| <u>Other Sources of Funds:</u>                |                      |
| SCSD Contribution for BAN Interest Repayment  | 21,168.88            |
| SCSD Contribution for BAN Principal Repayment | <u>173,333.33</u>    |
|   | 194,502.21           |
|   | <u>25,792,791.71</u> |

## Uses:

|  |                      |
|--|----------------------|
| <u>Project Fund Deposits.</u>                  |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,472,476 73         |
| Deposit to Series 2018A Project Account        | <u>21,331,894.06</u> |
|  | 23,804,370 79        |
| <u>Other Fund Deposits</u>                     |                      |
| BAN Interest Repayment from SCSD Contribution  | 21,168 88            |
| BAN Principal Repayment from SCSD Contribution | 173,333.33           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,224,075.90</u>  |
|  | 1,418,578 11         |
| <u>Delivery Date Expenses:</u>                 |                      |
| Cost of Issuance                               | 138,989.63           |
| Underwriter's Discount                         | 131,993.95           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 186,759 23           |
| SIDA Fee (\$5 per Bond)                        | <u>112,100 00</u>    |
|  | 569,842 81           |
|  | <u>25,792,791.71</u> |

BOND PRICING

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 1,040,000  | 5.000% | 1.500% | 107.300 |                   |            |            | 75,920.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 1,090,000  | 5.000% | 1.690% | 110.040 |                   |            |            | 109,436.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 1,150,000  | 5.000% | 1.890% | 112.291 |                   |            |            | 141,346.50          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,200,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 173,952.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,270,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 211,493.10          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,335,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 241,448.10          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,385,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 272,332.55          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,450,000  | 5.000% | 2.470% | 118.524 | C 2.697%          | 05/01/2026 | 100.000    | 268,598.00          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,530,000  | 5.000% | 2.540% | 117.959 | C 2.937%          | 05/01/2026 | 100.000    | 274,772.70          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,595,000  | 5.000% | 2.650% | 117.079 | C 3.167%          | 05/01/2026 | 100.000    | 272,410.05          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,680,000  | 5.000% | 2.740% | 116.364 | C 3.347%          | 05/01/2026 | 100.000    | 274,915.20          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,785,000  | 5.000% | 2.790% | 115.969 | C 3.474%          | 05/01/2026 | 100.000    | 285,046.65          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,900,000  | 5.000% | 2.820% | 115.732 | C 3.572%          | 05/01/2026 | 100.000    | 298,908.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,975,000  | 5.000% | 2.870% | 115.340 | C 3.669%          | 05/01/2026 | 100.000    | 302,965.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 2,035,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -25,254.35          | 2.750    |
|                |               |           | 22,420,000 |        |        |         |                   |            |            | 3,178,289.50        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 22,420,000.00 |             |
| Premium                | 3,178,289.50  |             |
| Production             | 25,598,289.50 | 114.176135% |
| Underwriter's Discount | -131,993.95   | -0.588733%  |
| Purchase Price         | 25,466,295.55 | 113.587402% |
| Accrued Interest       |               |             |
| Net Proceeds           | 25,466,295.55 |             |

## BOND DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest      | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|---------------|---------------|------------------------|
| 11/01/2018       |            |        | 681,382.15    | 681,382.15    | 681,382.15             |
| 05/01/2019       |            |        | 542,693.75    | 542,693.75    |                        |
| 11/01/2019       |            |        | 542,693.75    | 542,693.75    | 1,085,387.50           |
| 05/01/2020       | 1,040,000  | 5.000% | 542,693.75    | 1,582,693.75  |                        |
| 11/01/2020       |            |        | 516,693.75    | 516,693.75    | 2,099,387.50           |
| 05/01/2021       | 1,090,000  | 5.000% | 516,693.75    | 1,606,693.75  |                        |
| 11/01/2021       |            |        | 489,443.75    | 489,443.75    | 2,096,137.50           |
| 05/01/2022       | 1,150,000  | 5.000% | 489,443.75    | 1,639,443.75  |                        |
| 11/01/2022       |            |        | 460,693.75    | 460,693.75    | 2,100,137.50           |
| 05/01/2023       | 1,200,000  | 5.000% | 460,693.75    | 1,660,693.75  |                        |
| 11/01/2023       |            |        | 430,693.75    | 430,693.75    | 2,091,387.50           |
| 05/01/2024       | 1,270,000  | 5.000% | 430,693.75    | 1,700,693.75  |                        |
| 11/01/2024       |            |        | 398,943.75    | 398,943.75    | 2,099,637.50           |
| 05/01/2025       | 1,335,000  | 5.000% | 398,943.75    | 1,733,943.75  |                        |
| 11/01/2025       |            |        | 365,568.75    | 365,568.75    | 2,099,512.50           |
| 05/01/2026       | 1,385,000  | 5.000% | 365,568.75    | 1,750,568.75  |                        |
| 11/01/2026       |            |        | 330,943.75    | 330,943.75    | 2,081,512.50           |
| 05/01/2027       | 1,450,000  | 5.000% | 330,943.75    | 1,780,943.75  |                        |
| 11/01/2027       |            |        | 294,693.75    | 294,693.75    | 2,075,637.50           |
| 05/01/2028       | 1,530,000  | 5.000% | 294,693.75    | 1,824,693.75  |                        |
| 11/01/2028       |            |        | 256,443.75    | 256,443.75    | 2,081,137.50           |
| 05/01/2029       | 1,595,000  | 5.000% | 256,443.75    | 1,851,443.75  |                        |
| 11/01/2029       |            |        | 216,568.75    | 216,568.75    | 2,068,012.50           |
| 05/01/2030       | 1,680,000  | 5.000% | 216,568.75    | 1,896,568.75  |                        |
| 11/01/2030       |            |        | 174,568.75    | 174,568.75    | 2,071,137.50           |
| 05/01/2031       | 1,785,000  | 5.000% | 174,568.75    | 1,959,568.75  |                        |
| 11/01/2031       |            |        | 129,943.75    | 129,943.75    | 2,089,512.50           |
| 05/01/2032       | 1,900,000  | 5.000% | 129,943.75    | 2,029,943.75  |                        |
| 11/01/2032       |            |        | 82,443.75     | 82,443.75     | 2,112,387.50           |
| 05/01/2033       | 1,975,000  | 5.000% | 82,443.75     | 2,057,443.75  |                        |
| 11/01/2033       |            |        | 33,068.75     | 33,068.75     | 2,090,512.50           |
| 05/01/2034       | 2,035,000  | 3.250% | 33,068.75     | 2,068,068.75  |                        |
| 11/01/2034       |            |        |               |               | 2,068,068.75           |
|                  | 22,420,000 |        | 10,670,888.40 | 33,090,888.40 | 33,090,888.40          |

## NET DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 681,382.15    | 681,382.15            | 681,382.15  |                     |                   |
| 05/01/2019 |            |        | 542,693.75    | 542,693.75            | 542,693.75  |                     |                   |
| 11/01/2019 |            |        | 542,693.75    | 542,693.75            |   | 542,693.75          | 542,693.75        |
| 05/01/2020 | 1,040,000  | 5.000% | 542,693.75    | 1,582,693.75          |   | 1,582,693.75        |                   |
| 11/01/2020 |            |        | 516,693.75    | 516,693.75            |   | 516,693.75          | 2,099,387.50      |
| 05/01/2021 | 1,090,000  | 5.000% | 516,693.75    | 1,606,693.75          |   | 1,606,693.75        |                   |
| 11/01/2021 |            |        | 489,443.75    | 489,443.75            |   | 489,443.75          | 2,096,137.50      |
| 05/01/2022 | 1,150,000  | 5.000% | 489,443.75    | 1,639,443.75          |   | 1,639,443.75        |                   |
| 11/01/2022 |            |        | 460,693.75    | 460,693.75            |   | 460,693.75          | 2,100,137.50      |
| 05/01/2023 | 1,200,000  | 5.000% | 460,693.75    | 1,660,693.75          |   | 1,660,693.75        |                   |
| 11/01/2023 |            |        | 430,693.75    | 430,693.75            |   | 430,693.75          | 2,091,387.50      |
| 05/01/2024 | 1,270,000  | 5.000% | 430,693.75    | 1,700,693.75          |   | 1,700,693.75        |                   |
| 11/01/2024 |            |        | 398,943.75    | 398,943.75            |   | 398,943.75          | 2,099,637.50      |
| 05/01/2025 | 1,335,000  | 5.000% | 398,943.75    | 1,733,943.75          |   | 1,733,943.75        |                   |
| 11/01/2025 |            |        | 365,568.75    | 365,568.75            |   | 365,568.75          | 2,099,512.50      |
| 05/01/2026 | 1,385,000  | 5.000% | 365,568.75    | 1,750,568.75          |   | 1,750,568.75        |                   |
| 11/01/2026 |            |        | 330,943.75    | 330,943.75            |   | 330,943.75          | 2,081,512.50      |
| 05/01/2027 | 1,450,000  | 5.000% | 330,943.75    | 1,780,943.75          |   | 1,780,943.75        |                   |
| 11/01/2027 |            |        | 294,693.75    | 294,693.75            |   | 294,693.75          | 2,075,637.50      |
| 05/01/2028 | 1,530,000  | 5.000% | 294,693.75    | 1,824,693.75          |   | 1,824,693.75        |                   |
| 11/01/2028 |            |        | 256,443.75    | 256,443.75            |   | 256,443.75          | 2,081,137.50      |
| 05/01/2029 | 1,595,000  | 5.000% | 256,443.75    | 1,851,443.75          |   | 1,851,443.75        |                   |
| 11/01/2029 |            |        | 216,568.75    | 216,568.75            |   | 216,568.75          | 2,068,012.50      |
| 05/01/2030 | 1,680,000  | 5.000% | 216,568.75    | 1,896,568.75          |   | 1,896,568.75        |                   |
| 11/01/2030 |            |        | 174,568.75    | 174,568.75            |   | 174,568.75          | 2,071,137.50      |
| 05/01/2031 | 1,785,000  | 5.000% | 174,568.75    | 1,959,568.75          |   | 1,959,568.75        |                   |
| 11/01/2031 |            |        | 129,943.75    | 129,943.75            |   | 129,943.75          | 2,089,512.50      |
| 05/01/2032 | 1,900,000  | 5.000% | 129,943.75    | 2,029,943.75          |   | 2,029,943.75        |                   |
| 11/01/2032 |            |        | 82,443.75     | 82,443.75             |   | 82,443.75           | 2,112,387.50      |
| 05/01/2033 | 1,975,000  | 5.000% | 82,443.75     | 2,057,443.75          |   | 2,057,443.75        |                   |
| 11/01/2033 |            |        | 33,068.75     | 33,068.75             |   | 33,068.75           | 2,090,512.50      |
| 05/01/2034 | 2,035,000  | 3.250% | 33,068.75     | 2,068,068.75          |   | 2,068,068.75        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 2,068,068.75      |
|            | 22,420,000 |        | 10,670,888.40 | 33,090,888.40         | 1,224,075.90  | 31,866,812.50       | 31,866,812.50     |

## BOND SUMMARY STATISTICS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.131195%     |
| Net Interest Cost (NIC)           | 3.390143%     |
| All-In TIC                        | 3.349123%     |
| Average Coupon                    | 4.744625%     |
| Average Life (years)              | 10.031        |
| Weighted Average Maturity (years) | 9.995         |
| Duration of Issue (years)         | 8.109         |
| Par Amount                        | 22,420,000.00 |
| Bond Proceeds                     | 25,598,289.50 |
| Total Interest                    | 10,670,888.40 |
| Net Interest                      | 7,624,592.85  |
| Total Debt Service                | 33,090,888.40 |
| Maximum Annual Debt Service       | 2,112,387.50  |
| Average Annual Debt Service       | 2,051,794.66  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.587402    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 22,420,000.00 | 114.176 | 4.745%         | 10.031       | 16,525.40         |
|                | 22,420,000.00 |         |                | 10.031       | 16,525.40         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 22,420,000.00 | 22,420,000.00 | 22,420,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 3,178,289.50  | 3,178,289.50  | 3,178,289.50    |
| - Underwriter's Discount   | -131,993.95   | -131,993.95   |                 |
| - Cost of Issuance Expense |               | -138,989.63   |                 |
| - Other Amounts            |               | -298,859.23   |                 |
| Target Value               | 25,466,295.55 | 25,028,446.69 | 25,598,289.50   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.131195%     | 3.349123%     | 2.644747%       |

FORM 8038 STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Date       | Principal     | Coupon | Price   | Issue Price   | Redemption at Maturity |
|----------------|------------|---------------|--------|---------|---------------|------------------------|
| Serial Bond    | 05/01/2020 | 3,090,000.00  | 5.000% | 107.300 | 3,315,570.00  | 3,090,000.00           |
|                | 05/01/2021 | 3,250,000.00  | 5.000% | 110.040 | 3,576,300.00  | 3,250,000.00           |
|                | 05/01/2022 | 3,415,000.00  | 5.000% | 112.291 | 3,834,737.65  | 3,415,000.00           |
|                | 05/01/2023 | 3,590,000.00  | 5.000% | 114.496 | 4,110,406.40  | 3,590,000.00           |
|                | 05/01/2024 | 3,775,000.00  | 5.000% | 116.653 | 4,403,650.75  | 3,775,000.00           |
|                | 05/01/2025 | 3,970,000.00  | 5.000% | 118.086 | 4,688,014.20  | 3,970,000.00           |
|                | 05/01/2026 | 4,170,000.00  | 5.000% | 119.663 | 4,989,947.10  | 4,170,000.00           |
|                | 05/01/2027 | 4,385,000.00  | 5.000% | 118.524 | 5,197,277.40  | 4,385,000.00           |
|                | 05/01/2028 | 4,610,000.00  | 5.000% | 117.959 | 5,437,909.90  | 4,610,000.00           |
|                | 05/01/2029 | 4,845,000.00  | 5.000% | 117.079 | 5,672,477.55  | 4,845,000.00           |
|                | 05/01/2030 | 5,095,000.00  | 5.000% | 116.364 | 5,928,745.80  | 5,095,000.00           |
|                | 05/01/2031 | 5,355,000.00  | 5.000% | 115.969 | 6,210,139.95  | 5,355,000.00           |
|                | 05/01/2032 | 5,630,000.00  | 5.000% | 115.732 | 6,515,711.60  | 5,630,000.00           |
|                | 05/01/2033 | 5,920,000.00  | 5.000% | 115.340 | 6,828,128.00  | 5,920,000.00           |
|                | 05/01/2034 | 6,165,000.00  | 3.250% | 98.759  | 6,088,492.35  | 6,165,000.00           |
|                |            | 67,265,000.00 |        |         | 76,797,508.65 | 67,265,000.00          |

|                | Maturity Date | Interest Rate | Issue Price   | Stated Redemption at Maturity | Weighted Average Maturity | Yield   |
|----------------|---------------|---------------|---------------|-------------------------------|---------------------------|---------|
| Final Maturity | 05/01/2034    | 3.250%        | 6,088,492.35  | 6,165,000.00                  |                           |         |
| Entire Issue   |               |               | 76,797,508.65 | 67,265,000.00                 | 10.0095                   | 2.6447% |

|  |              |
|--|--------------|
| Proceeds used for accrued interest                                       | 0.00         |
| Proceeds used for bond issuance costs (including underwriters' discount) | 1,709,655.66 |
| Proceeds used for credit enhancement                                     | 0.00         |
| Proceeds allocated to reasonably required reserve or replacement fund    | 0.00         |



**EXHIBIT C**

**IRS FORM 8038-G**

**Information Return for Tax-Exempt Governmental Obligations**  
 ▶ Under Internal Revenue Code section 149(a)  
 ▶ See separate instructions.  
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

|  |            |   |  |
|--|------------|---|--|
| <b>Part I Reporting Authority</b>  |            | If Amended Return, check here <input type="checkbox"/>                          |  |
| 1 Issuer's name<br>City of Syracuse Industrial Development Agency  |            | 2 Issuer's employer identification number (EIN)<br>52 1380308                   |  |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)   |            | 3b Telephone number of other person shown on 3a                                 |  |
| 4 Number and street (or P.O. box if mail is not delivered to street address)<br>201 East Washington Street, 7th Floor                                  | Room/suite | 5 Report number (For IRS Use Only)<br>3   |  |
| 6 City, town, or post office, state, and ZIP code<br>Syracuse, NY 13214  |            | 7 Date of issue<br>3/15/2018  |  |
| 8 Name of issue<br>School Facility Revenue Bonds<br>(Syracuse City School District Project) Series 2018A   |            | 9 CUSIP number<br>871683DJ4   |  |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)<br>Michael Frame, Chairman |            | 10b Telephone number of officer or other employee shown on 10a<br>(315)448-8127 |  |

|  |    |              |    |
|--|----|--------------|----|
| <b>Part II Type of Issue (enter the issue price). See the instructions and attach schedule.</b>                  |    |              |    |
| 11 Education . . . . .   | 11 | \$76,797,508 | 65 |
| 12 Health and hospital . . . . .   | 12 |              |    |
| 13 Transportation . . . . .  | 13 |              |    |
| 14 Public safety . . . . .   | 14 |              |    |
| 15 Environment (including sewage bonds) . . . . .  | 15 |              |    |
| 16 Housing . . . . .   | 16 |              |    |
| 17 Utilities . . . . .   | 17 |              |    |
| 18 Other. Describe ▶   | 18 |              |    |
| 19 If obligations are TANs or RANs, check only box 19a . . . . . ▶ <input type="checkbox"/>                      |    |              |    |
| If obligations are BANs, check only box 19b . . . . . ▶ <input type="checkbox"/>                                 |    |              |    |
| 20 If obligations are in the form of a lease or installment sale, check box . . . . . ▶ <input type="checkbox"/> |    |              |    |

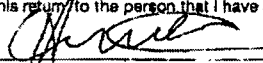
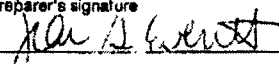
|   |                         |                  |   |                               |           |
|---|-------------------------|------------------|---|-------------------------------|-----------|
| <b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b> |                         |                  |   |                               |           |
|   | (a) Final maturity date | (b) Issue price  | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21  | 05/01/2034              | \$ 76,797,508.65 | \$ 67,265,000.00                        | 10.0095 years                 | 2.6447 %  |

|  |  |    |              |    |  |
|--|--|----|--------------|----|--|
| <b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b> |  |    |              |    |  |
| 22   | Proceeds used for accrued interest . . . . .   | 22 |              |    |  |
| 23   | Issue price of entire issue (enter amount from line 21, column (b)) . . . . .                      | 23 | \$76,797,508 | 65 |  |
| 24   | Proceeds used for bond issuance costs (including underwriters' discount) . . . . .                 | 24 | \$813,011    | 34 |  |
| 25   | Proceeds used for credit enhancement . . . . .   | 25 |              |    |  |
| 26   | Proceeds allocated to reasonably required reserve or replacement fund . . . . .                    | 26 |              |    |  |
| 27   | Proceeds used to currently refund prior issues . . . . .   | 27 | \$7,417,430  | 00 |  |
| 28   | Proceeds used to advance refund prior issues . . . . .   | 28 |              |    |  |
| 29   | Total (add lines 24 through 28) . . . . .  | 29 | \$8,230,441  | 34 |  |
| 30   | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . . | 30 | \$68,567,067 | 31 |  |

|   |   |            |
|---|---|------------|
| <b>Part V Description of Refunded Bonds. Complete this part only for refunding bonds.</b> |   |            |
| 31  | Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . . ▶ | 0 years    |
| 32  | Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . . ▶   | years      |
| 33  | Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . . ▶         | 3/15/2018  |
| 34  | Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)                                 | 06/22/2017 |

**Part VI Miscellaneous**

|     |   |     |   |
|-----|---|-----|---|
| 35  | Enter the amount of the state volume cap allocated to the issue under section 141(b)(6) . . . . .   | 35  | 0 |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .  | 36a |   |
| b   | Enter the final maturity date of the GIC ▶ _____  |     |   |
| c   | Enter the name of the GIC provider ▶ _____  |     |   |
| 37  | Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .   | 37  |   |
| 38a | If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information:   |     |   |
| b   | Enter the date of the master pool obligation ▶ _____  |     |   |
| c   | Enter the EIN of the issuer of the master pool obligation ▶ _____   |     |   |
| d   | Enter the name of the issuer of the master pool obligation ▶ _____  |     |   |
| 39  | If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . . ▶ <input type="checkbox"/>  |     |   |
| 40  | If the issuer has elected to pay a penalty in lieu of arbitrage rebata, check box . . . . . ▶ <input type="checkbox"/>  |     |   |
| 41a | If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:  |     |   |
| b   | Name of hedge provider ▶ _____  |     |   |
| c   | Type of hedge ▶ _____   |     |   |
| d   | Term of hedge ▶ _____   |     |   |
| 42  | If the issuer has superintegrated the hedge, check box . . . . . ▶ <input type="checkbox"/>   |     |   |
| 43  | If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ▶ <input type="checkbox"/> |     |   |
| 44  | If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ▶ <input type="checkbox"/>   |     |   |
| 45a | If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____   |     |   |
| b   | Enter the date the official intent was adopted ▶ _____  |     |   |

|                        |   |   |                                     |   |         |
|------------------------|---|---|-------------------------------------|---|---------|
| Signature and Consent  | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above. |   |                                     |   |         |
|                        |    | 3/15/18   | Honora Spillane, Executive Director |   |         |
|                        | Signature of issuer's authorized representative   | Date  | Type or print name and title        |   |         |
| Paid Preparer Use Only | Print/Type preparer's name  | Preparer's signature  | Date                                | Check <input type="checkbox"/> if self-employed | PTIN    |
|                        | Jean S. Everett   |  | 4/12/18                             |   | 1285587 |
|                        | Firm's name ▶ Barclay Damon LLP   | Firm's EIN ▶ 15-0339022   |                                     | Phone no. (315)425-2700                         |         |
|                        | Firm's address ▶ 125 East Jefferson Street, Syracuse, NY 13202  |   |                                     |   |         |

**ARBITRAGE AND USE OF PROCEEDS CERTIFICATE**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Each of the undersigned, being the Superintendent of the City School District of the City of Syracuse (the "SCSD"), the Chairman of the Syracuse Joint Schools Construction Board (the "SJSCB") and the Commissioner of Finance of the City of Syracuse (the "City" and, the City, the SCSD and the SJSCB, each a "Borrowing Entity" and collectively the "Borrowing Entities"), DO HEREBY CERTIFY with respect to the \$67,265,000 aggregate principal amount of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "Bonds"), dated March 15, 2018, which are being issued and delivered on the date hereof, as follows:

**I. GENERAL**

1.01. The Borrowing Entities are delivering this Arbitrage and Use of Proceeds Certificate (the "Certificate") to Barclay Damon LLP ("Bond Counsel"), bond counsel to the City of Syracuse Industrial Development Agency (the "Issuer"), with the understanding that Bond Counsel will rely in part upon this Certificate in rendering its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

1.02. This Certificate is being delivered for the purpose of establishing the reasonable expectations of the Borrowing Entities as to the amount and use of the Proceeds (as hereinafter defined) of the Bonds and of certain other amounts.

1.03. The Bonds are being issued pursuant to the Constitution and statutes of the State of New York (the "State"), including particularly (a) the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, as amended (the "Enabling Act"), (b) Chapter 641 of the 1979 Laws of New York State, as amended (together with the Enabling Act, the "IDA Act") and (c) Chapter 5 Part A-4 of the Laws of 2006 of New York State, as amended (the "Syracuse Schools Act").

1.04. The Bonds have been authorized by a Bond Resolution adopted by the members of the Issuer dated January 16, 2018 (the "Resolution") and are being issued pursuant to the terms of an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). Terms used herein which are not otherwise defined herein shall have the same meanings as when used in the Indenture.

1.05. The Bonds will be special limited obligations of the Issuer payable solely from payments received from the City and SCSD pursuant to the Installment Sale Agreement.

1.06. This Certificate sets forth the facts, estimates and circumstances now in existence which are the basis for the expectation of each Borrowing Entity that the Proceeds of the Bonds and the facilities financed or refinanced thereby will not be used in a manner that would cause

the interest on the Bonds to be included in gross income for federal income tax purposes under the Code. To the best of my knowledge and belief, such expectation is reasonable and there are no other facts, estimates or circumstances that would materially change that expectation.

1.07. In making certain warranties, representations and certifications contained herein, each Borrowing Entity has consulted with its respective counsel and financial advisor.

1.08. Each Borrowing Entity expects to be able to and will comply with all the procedures and provisions set forth in this Certificate applicable to it, and will perform all acts and things necessary and desirable within its reasonable control in order to assure that interest paid on the Bonds shall, for the purpose of federal income taxation, not be included in gross income. Each of the SCSD and the City covenants that it reasonably expects that the financing of the Project, including the Facilities (as defined in Section 3.01 below), will proceed as described in this Certificate, but in the event that the Project or the financing thereof does not proceed as expected, it will honor its tax covenants and do whatever is necessary in the Opinion of Bond Counsel, including revising any contracts or agreements with any Person other than a state or local governmental unit pertaining to the Project, to preserve such exclusion. The Issuer expects to be able to and will comply with all covenants undertaken by the Issuer as set forth in this Certificate.

1.09. The Borrowing Entities covenant to perform each of the covenants undertaken by them in this Certificate unless, in the Opinion of Bond Counsel, noncompliance therewith will not cause interest on the Bonds to be included in gross income for purposes of federal income taxation.

## II. DEFINITIONS

Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the Indenture or, if not defined in the Indenture, in Sections 103 and 141-150 of the Code (as hereinafter defined). Unless the context otherwise requires, the following capitalized terms have the following meanings for purposes of this Certificate (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Bonds” shall have the meaning set forth in the first paragraph of this Certificate.

“Borrowing Entities” shall have the meaning set forth in first paragraph of this Certificate.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable to capital account with a proper election or with the application of the definition of placed in service under Section 1.150-2(c) of the Treasury Regulations) under general federal income tax principles (e.g., costs incurred to acquire, construct or improve land, buildings and equipment generally are capital expenditures), it being understood that whether an expenditure is a capital expenditure is determined at the time the expenditure is paid with respect to the property and that future changes in law do not affect whether an expenditure is a capital expenditure.

“Certificate” shall have the meaning set forth in Section 1.01 of this Certificate.

“City” shall have the meaning set forth in first paragraph of this Certificate.

“Closing Date” shall mean March 15, 2018, the date of the initial issuance and physical delivery of the Bonds.

“Code” shall have the meaning set forth in Section 1.01 of this Certificate.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities. In general, “direct control” exists while a controlling entity possesses either of the following rights or powers and such rights or powers are discretionary and non-ministerial: The right or power (a) both to approve and to remove without cause a controlling portion of the governing body of the controlled entity, or (b) to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. If one entity (the “Controlling Entity”) directly controls another (the “Controlled Entity”), then the Controlling Entity indirectly controls any entity controlled directly or indirectly by such Controlled Entity. However, an entity is not a Controlled Entity if it possesses substantial taxing, eminent domain and police powers.

“Fixed Yield Issue” means any issue if each bond that is part of such issue is a bond whose yield is fixed and determinable on the issue date.

“Gross Proceeds” shall have the meaning used in Section 1.148-1(b) of the Treasury Regulations, and generally means all Proceeds and Replacement Proceeds.

“Investment Proceeds” shall mean any amounts actually or constructively received from investing Proceeds.

“Investment Property” shall mean any security or obligation (other than tax-exempt bonds which are not “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code), any annuity contract or any other investment-type property within the meaning of Section 1.148-1(b) of the Treasury Regulations.

“Issuer” shall have the meaning set forth in first paragraph of this Certificate.

“Nationally Recognized Bond Counsel” shall mean Barclay Damon LLP or other counsel acceptable to the Issuer and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

“Net Sale Proceeds” shall mean the Sale Proceeds, less any Sale Proceeds invested in a reasonably required reserve or replacement fund under Code Section 148(d) and as part of a minor portion under Code Section 148(e).

“Nonpurpose Investment” shall mean any Investment Property in which Gross Proceeds are invested that is not a Purpose Investment (i.e., the Installment Sale Agreement).

“Opinion of Bond Counsel” shall mean a written opinion of Nationally Recognized Bond Counsel to the effect that such action or inaction described in said opinion will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

“Other Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c)(4) of the Treasury Regulations. Other Replacement Proceeds arise to the extent that the SCSD reasonably expects as of the Closing Date that the term of the Bonds is longer than is reasonably necessary for the governmental purpose of the Bonds and that there will be available amounts created (within the meaning of Treasury Regulation Section 1.148-6(d)(3)(iii)) during the period that the Bonds remain outstanding longer than necessary. Other Replacement Proceeds do not arise for the portion of the Bonds that is to be used to: (a) finance working capital expenditures if that portion of the Bonds is not outstanding longer than the temporary period under Treasury Regulation Section 1.148-2(e)(3) for which the Proceeds qualify; (b) finance or refinance capital projects (within the meaning of Treasury Regulation Section 1.148-1(b)) if that portion of the Bonds does not exceed one-hundred twenty percent (120%) of the average reasonably expected life of the financed capital projects; (c) refund a prior issue, provided that the weighted average maturity of such refunding issue does not exceed the remaining weighted average maturity of the prior issue and the issue of which the prior issue is a part satisfies Section 1.148-1(c)(4)(i)(B)(1) or 1.148-1(c)(4)(i)(B)(2) of the Treasury Regulations; or (d) finance working capital expenditures, provided that portion of the Bonds satisfies Treasury Regulation Section 1.148-1(c)(4)(ii).

“Outside User” shall have the meaning set forth in Section 7.03 of this Certificate.

“Pledge Fund” shall have the meaning set forth in Section 1.148-1(c)(3) of the Treasury Regulations, and generally means any amount that is directly or indirectly pledged to pay principal or interest on the Bonds. A Pledge Fund need not be cast in any particular form but must provide a reasonable assurance to the bondowners that such amounts will be available to pay principal or interest on the Bonds in the event that the City or the SCSD encounters financial difficulties. An amount is also treated as pledged to pay principal or interest on the Bonds if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the bondowners or a guarantor of the Bonds, however, such amount will not be treated as pledged if: (a) the Issuer or any of the Borrowing Entities or a substantial beneficiary of the Bonds may grant rights in the amount that are superior to the rights of the bondowners, or (b) the amount is not in excess of the purpose for which it was established, the required level is tested no more frequently than every six (6) months, and the amount may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date.

“Private Use” shall have the meaning set forth in Section 7.05 of this Certificate.

“Proceeds” shall mean, with respect to the Bonds, any Sale Proceeds, Investment Proceeds, and Transferred Proceeds, as defined in Section 1.148-1(b) of the Treasury Regulations, if any, other than amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher yield under Section

1.148-2(d) of the Treasury Regulations or to qualified administrative costs recoverable under Section 1.148-5(e) of the Treasury Regulations.

“Project” shall have the meaning set forth in Section 3.01 of this Certificate.

“Purchase Contract” shall mean the Purchase Contract dated March 2, 2018, among the Underwriter, the Issuer and the Borrowing Entities.

“Purpose Investment” shall mean an investment that is acquired to carry out the governmental purpose of the Bonds.

“Refunding Obligations” shall have the meaning set forth in Section 8.05 of this Certificate.

“Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c) of the Treasury Regulations and generally means any Sinking Fund, Pledge Fund, or Other Replacement Proceeds to the extent that those funds or accounts are derived by or derived from a substantial beneficiary of the Bonds. A substantial beneficiary of the Bonds includes the Issuer and the Borrowing Entities.

“Sale Proceeds” shall mean any amounts actually or constructively received from the sale of the Bonds (other than pre-issuance accrued interest).

“SCSD” shall have the meaning set forth in first paragraph of this Certificate.

“Sinking Fund” shall have the meaning set forth in Section 1.148-1(c)(2) of the Treasury Regulations, and generally means a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent that such fund is reasonably expected to be used directly or indirectly to pay principal or interest on the Bonds.

“SJSCB” shall have the meaning set forth in first paragraph of this Certificate.

“Tax Certificate” shall mean a certain Tax Certificate dated March 15, 2018 and executed by the Issuer.

“Tax Questionnaire” shall mean the Tax Questionnaire delivered by the Borrowing Entities to Bond Counsel, the certifications of which are incorporated by reference into this Certificate.

“Treasury Regulations” shall mean such regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury including Treasury Regulations issued pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and Sections 103 and 141 through 150, inclusive, of the Code.

“Trustee” shall have the meaning set forth in Section 1.04 of this Certificate.

“2017 Notes” shall have the meaning set forth in Section 3.01 of this Certificate



“Underwriter” shall mean Raymond James & Associates, Inc., on behalf of itself and as representative of the other underwriters identified in the Purchase Contract.

“Yield Reduction Payments” shall mean periodic payments made with respect to certain investments subject to yield restriction which are treated as a payment for such investments that reduces the yield on such investment. Yield Reduction Payments may be made pursuant to Section 1.148-5(c)(3) of the Treasury Regulations.

### III. PURPOSE OF ISSUE AND SOURCE OF PAYMENT

3.01. The Bonds are being issued to finance or refinance all or a portion of the costs of a project (the “Project”) consisting of: (a)(i) the acquisition or continuation by the Issuer of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “Buildings”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (b) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “Equipment” and together with the Buildings, the “Facilities”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (c) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Project and financing certain costs of issuance.

Specifically, as of the Closing Date, the Borrowing Entities expect to use a portion of the Proceeds of the Bonds to finance the cost of certain improvements at the following SCSD facilities Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School. The approximate amount of Bond Proceeds that the Borrowing Entities expect to use at these four (4) locations are listed on Exhibit A, attached hereto. Exhibit A has been extracted from a financial report that was generated by Turner Construction Company, the project manager for the Project.

In addition, a portion of the Proceeds of the Bonds will, together with other funds of the City and the SCSD, retire \$7,417,430 of the City’s \$14,800,000 Bond Anticipation Notes 2017B (JSCB Purposes) dated June 22, 2017, and maturing March 15, 2018 (the “2017 Notes”). The 2017 Notes were issued to provide new monies in the amount of \$5,000,000 to be used to pay a portion of the Project and to retire, together with other funds of the City and the SCSD, the City’s \$7,905,000 Bond Anticipation Notes 2016A (JSCB Purposes) dated June 23, 2016 and the City’s \$2,000,000 Bond Anticipation Notes 2016B (JSCB Purposes) dated October 6, 2016 (together, the “2016 Notes”). The 2016 Notes were issued to provide new monies in the amount of \$6,000,000 to be used to pay a portion of the Project and to retire, together with other funds of the City and the SCSD, the City’s \$2,000,000 Bond Anticipation Notes 2015A (JSCB Purposes) dated June 24, 2015 (the “2015 Notes”). The 2015 Notes were issued to retire the City’s \$2,000,000 Bond Anticipation Notes 2014A (JSCB Purposes) dated June 25, 2014 (the “2014

Notes” and collectively with the 2015 Notes, the 2016 Notes and the 2017 Notes, the “City Notes”), which were issued to provide new monies to pay a portion of the costs of the Project. The City Notes were issued pursuant to Ordinance No. 336-2017 entitled BOND ORDINANCE OF THE CITY OF SYRACUSE AMENDING ORDINANCE NO. 304-2014 AUTHORIZING THE ISSUANCE AND SALE OF BONDS IN THE AMOUNT OF THIRTY MILLION DOLLARS (\$30,000,000) TO DEFRAY THE INITIAL CAPITAL COSTS AND EXPENSES ASSOCIATED WITH PHASE II OF THE JOINT SCHOOLS CONTRACUTION BOARD adopted by the Common Council on April 24, 2017 and signed by the Mayor on April 25, 2017 and Ordinance No. 304-2014 entitled BOND ORDINANCE OF THE CITY OF SYRACUSE AUTHORIZING THE ISSUANCE AND SALE OF BONDS IN THE AMOUNT OF THIRTY MILLION DOLLARS (\$30,000,000) TO DEFRAY THE INITIAL CAPITAL COSTS AND EXPENSES ASSOCIATED WITH PHASE II OF THE JOINT SCHOOLS CONTRACUTION BOARD adopted by the Common Council on March 31, 2014 and signed by the Mayor on April 2, 2014 (together the “BAN Ordinance”).

3.02. Unless an Opinion of Bond Counsel is delivered to the Issuer, the SCSD, the SJSCB, the City and the Trustee with respect to uses of the Bond Proceeds other than specified in Section 3.01, each Borrowing Entity agrees that the Bond Proceeds will be utilized for the above-described purposes.

3.03. The Bonds state that they are payable solely from: (a) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (b) the pledge of certain funds, including a Bond Fund, under the Indenture. The Syracuse Schools Act and the Indenture provide that in the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement upon receipt by the New York State Comptroller (the “State Comptroller”) of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller will withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The Installment Sale Agreement provides that the obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The Indenture provides that the only source of moneys available for the payment of the principal of and interest on the Bonds are Bond Proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency.

#### IV. USE OF SALE PROCEEDS AND YIELD RESTRICTION OF SALE PROCEEDS

4.01. Use of Sale Proceeds. The Sale Proceeds to be derived by the Issuer from the sale of the Bonds (principal amount of \$67,265,000, plus net premium of \$9,532,508.65, which includes \$396,011.34 that will be used to pay Underwriter's Discount), is \$76,797,508.65. There is no accrued interest on the Bonds. Each of the Borrowing Entities certifies that the Sale Proceeds (\$76,797,508.65) of the Bonds and are expected on the Closing Date to be needed and fully expended as follows:

(a) \$396,011.34 of the Sale Proceeds of the Bonds will be used by the Issuer on the Closing Date for payment of the Underwriter's discount and costs.

(b) \$1,313,644.32 of the Sale Proceeds of the Bonds will be deposited in the Project Fund established pursuant to the Indenture and shall be used on or about the Closing Date to pay Costs of Issuance (other than Underwriter's discount) on the Bonds as set forth in Exhibit B attached hereto. Each Borrowing Entity acknowledges that Sale Proceeds of the Bonds deposited in the Project Fund for this purpose may be invested at an unrestricted yield for a period not to exceed one (1) year from the date hereof and, thereafter, at a yield no greater than the yield on the Bonds as described in paragraph 5.01 of this Certificate. Each Borrowing Entity represents, warrants and covenants that, with the exception of costs of issuance incurred and directly payable by the Issuer, the costs of issuance incurred in connection with the issuance of the Bonds are not contingent and at least ninety-five percent (95%) of such costs will be paid no later than one hundred eighty (180) days after the Closing Date.

(c) \$7,417,430.00 ("BAN Repayment") of the Sale Proceeds of the Bonds will be deposited in the Project Fund and pursuant to the Letter of Instruction, transferred to the City to be used by the City to redeem a portion of the 2017 Notes on March 15, 2018.

(d) \$3,671,325.48 of the Sale Proceeds of the Bonds shall be deposited in the Interest Account of the Bond Fund established pursuant to the Indenture and shall be used to pay interest due on the Bonds for a period commencing on the Closing Date and ending on May 1, 2019. Each Borrowing Entity acknowledges that such amounts may be invested at an unrestricted yield until expended. Each Borrowing Entity acknowledges that investment earnings on such amounts may be invested at an unrestricted yield for a period not exceeding three (3) years from the date hereof or one (1) year from the date of receipt, whichever is longer.

(e) The remaining Sale Proceeds of the Bonds shall be deposited in the Project Fund established pursuant to the Indenture and shall be used to pay costs of the Project. Based on the representations of the SCSD in Section 4.02, each Borrowing Entity acknowledges that such amounts may be invested at an unrestricted yield until expended but in no event for a period to exceed three (3) years from the date hereof and, thereafter, at a yield not in excess of the yield of the Bonds (at which time such amounts may also be subject to Arbitrage Rebate). Based on the representations of the SCSD in Section 4.02, each Borrowing Entity acknowledges that investment earnings on such amounts may be invested at an unrestricted yield for a period not exceeding three (3) years from the date hereof or one (1) year from the date of receipt, whichever is longer and, thereafter, at a yield not in excess of the yield on the Bonds.

4.02. Reasonable Expectations Relating to Project Costs and Completion. SCSD represents, warrants and covenants that (a) it reasonably expects to spend at least eighty-five percent (85%) of the Net Sale Proceeds of the Bonds to pay costs of the Project within three (3) years of the date hereof, (b) has incurred, or reasonably expects to incur within six months of the date hereof, a binding obligation to a third party involving an expenditure of not less than five percent (5%) of the Net Sale Proceeds of the Bonds and (c) it reasonably expects to proceed to complete the Project, and to allocate the Proceeds of the Bonds to expenditures for the Project, with due diligence. SCCD represents that it reasonably expects to use the Proceeds of the Bonds to pay the expected Capital Expenditures of the Project in the amounts and for the purposes set forth in Exhibit A and to complete the Project on or about the expected completion dates set forth in Exhibit A.

4.03. Reimbursement. The BAN Ordinance sets forth the City's declaration of intent (the "Declaration of Intent") that the City expected to reimburse the prior expenditures ("Prior Expenditures") with the proceeds of bond anticipation notes in a principal amount expected not to exceed \$30,000,000. No proceeds of the city Notes were used to reimburse Prior Expenditures.

4.04. Allocation of Proceeds to Expenditures. The SCSD understands that proceeds of the Bonds may be treated as expended on the date such proceeds are applied to the payment of costs characterized as Capital Expenditures. The SCSD further understands that proceeds of the Bonds used to pay working capital expenditures will not be considered expended until SCSD establishes that they have depleted all other available amounts from sources other than the proceeds of the Bonds. Each of the City and the SCSD covenants and agrees that no proceeds of the Bonds will be used to make a grant or to pay working capital expenditures.

The Bonds are subject to the allocation and accounting rules described in Sections 1.141 6 and 1.148-6 of the Treasury Regulations for purposes of allocating Gross Proceeds to the Bonds, allocating Gross Proceeds to investments and allocating Gross Proceeds to expenditures. For example, the SCSD and the City understand that the allocation of Gross Proceeds to expenditures may be done on a specific tracing method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a "ratable allocation" method, so long as the method used is consistently applied. The SCSD will account for the allocation of Gross Proceeds to expenditures not later than the earliest of (A) eighteen (18) months after the later of (1) the date the expenditure is paid, or (2) the date the Project is placed in service; or (B) by the date sixty (60) days after the fifth (5th) anniversary of the Closing Date or the date sixty (60) days after the retirement of the Bonds, if earlier. Payments to a member of the Borrowing Entities' Controlled Group are not expenditures for purposes of federal income tax accounting.

## V. YIELD ON THE BONDS AND YIELD ON INVESTMENTS

When used in this Certificate, the term "*yield*" refers to the yield computed by the actuarial or present worth method using a three hundred sixty (360) day year and semiannual compounding, and means that discount rate which, when used in computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to

the purchase price in the case of investments purchased with Gross Proceeds of the Bonds and the issue price of the Bonds in the case of the Bonds.

The Bonds constitute a Fixed Yield Issue. Except for the Bonds maturing on or after May 1, 2027, which are subject to redemption at the option of the Issuer and the City on or after May 1, 2026, none of the Bonds are subject to optional redemption. Except for the Bonds maturing on May 1, 2026 through and including May 1, 2033 (the “*Callable Premium Bonds*”), none of the Bonds (a) are subject to optional redemption within five (5) years of the Closing Date; (b) are issued at an Issue Price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (0.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date for the Bonds; or (c) bears interest at increasing interest rates. The yield on the Bonds has been computed by the Underwriter to be not less than 2.644747%, which the Borrowing Entities represent is the lowest yield obtained by treating the Callable Premium Bonds as redeemed on May 1, 2026. The computation of the yield on the Bonds is included in Exhibit C.

The Borrowing Entities acknowledge that the yield on the Bonds will not be affected by subsequent unexpected events, except to the extent provided in Sections 1.148-4(h)(3) and 1.148-4(b)(4) of the Treasury Regulations when and if the Issuer enters into a Qualified Hedge or into any transaction transferring, waiving or modifying any right that is part of the terms of the Bonds.

## VI. FUNDS

6.01. Bond Fund. The Issuer expects to pay debt service on the Bonds from amounts received in the form of base installment purchase payments from the SCSD and the City pursuant to the terms of the Installment Sale Agreement. Pursuant to the terms of the Indenture and the Installment Sale Agreement, such base installment purchase payments will be deposited into the Bond Fund. Amounts so deposited in the Bond Fund are to be used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year (as defined in the Tax Certificate) will be depleted at least once each Bond Year except for a reasonable carryover amount which will not exceed, in the aggregate, the greater of: (a) the earnings on such portion of the Bond Fund for the immediately preceding Bond Year, or (b) one-twelfth ( $1/12$ ) of the principal and interest payments on the Bonds for the immediately preceding Bond Year. Thus, no such amounts are reasonably expected to be held for a period longer than the 13-month temporary period provided by Treasury Regulation Section 1.148-2(e)(5)(ii) for a “bona fide debt service fund.” Each Borrowing Entity acknowledges that amounts held the Bond Fund to pay debt service on the Bonds will be invested without restriction as to yield to the extent that the Bond Fund constitutes a “bona fide debt service fund” as described above. To the extent that the Bond Fund does not constitute a “bona fide debt service fund” as described above, amounts held in the Bond Fund must be invested at a yield that is no higher than the yield on the Bonds.

6.02. Investment Proceeds. Investment Proceeds held in the bona fide debt service fund portion of the Bond Fund will be used to pay debt service on the Bonds within one year of receipt, and until so used, will be invested without restriction as to yield.

6.03. No Other Funds. Other than the Bond Fund as described above in Section 6.01, there are no other funds or accounts of the SCSD or the City established pursuant to the Indenture or the Installment Sale Agreement or otherwise which are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral for the Bonds, for which there is a reasonable assurance that amounts therein or the investment income earned from such funds or accounts will be available to pay debt service on the Bonds in the event the SCSD or the City encounters financial difficulties.

## VII. TAX COVENANT; GENERAL PROVISIONS REGARDING USE OF PROCEEDS AND USE OF THE PROJECT

7.01. Tax Covenant. Each of the Borrowing Entities represents, warrants and covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the Bonds if any action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Each Borrowing Entity agrees to observe and perform the terms, conditions and covenants set forth in the Tax Certificate.

7.02. No Sale or Lease. Except as otherwise expressly stated in Exhibit D, each of the City and the SCSD represents, warrants and covenants that it owns and reasonably expects to continue to own all portions of the Project and that no portion of the Project has been or will be

sold or otherwise disposed of (and no agreement entered into with respect to any sale or disposition) prior to consultation with the Issuer and the receipt by the Issuer of an Opinion of Bond Counsel. Except as otherwise expressly stated in Exhibit D, or as permitted in a written consent of the Issuer, which may be conditioned upon receipt by the Issuer of an Opinion of Bond Counsel, each of the City and the SCSD represents, warrants and covenants that it has not leased and will not lease any portion of the Project.

7.03. Outside Users. Except as otherwise expressly stated in Exhibit D, or quantified as “private use” with respect to the Bonds and described in Exhibit D, each of the City and the SCSD represents, warrants and covenants that periodic use of the Project by any person or entity other than a state or local governmental unit, including, but not limited to, persons or entities such as local community groups, members of the general public, nonprofit organizations and other non-governmental entities (the “Outside Users”) complies with the terms of this Section 7.03. Each use of the Project by an Outside User has satisfied and, in the future will satisfy, for the term of the Bonds, the following requirements: (a) the term of use under an arrangement with an Outside User, including any renewal options, is not longer than 50 days; (b) the arrangement for use is either: (i) negotiated at arm’s length with each Outside User, and compensation for the use is at fair market value, (ii) use of the Project is open on the same basis to any Outside User who wishes to use the Project at generally applicable and uniformly applied rates established by the City or the SCSD, or (iii) use of the Project is available by members of the general public for no charge on a first-come first-serve basis; and (c) the Project was not financed for the principal purpose of providing use to any such Outside User.

7.04. Except as otherwise expressly stated in Exhibit D, each of the City and the SCSD represents, warrants and covenants that the City, the SCSD or any Related Party thereof will not enter into, and has not entered into, any contract, agreement or arrangement with any nongovernmental person which provides for such person or organization to manage, operate or provide services with respect to the Project, unless an Opinion of Bond Counsel is delivered to the Issuer that (a) the guidelines set forth in Revenue Procedure 97-13, published in Internal Revenue Bulletin 1997-5, dated February 3, 1997, as amplified by Notice 2014-67, 2014-46 I.R.B. 822, for a contract, agreement or arrangement executed on or prior to August 17, 2017, or (b) the guidelines set forth in Revenue Procedure 2016-44, as modified, amplified and superseded by Revenue Procedure 2017-13 or subsequent guidance are satisfied with respect to such contract, agreement or arrangement.

7.05. No Private Use. Each of the City and the SCSD represents, warrants and covenants that no portion of the Proceeds of the Bonds or the Project has been or will be used directly or indirectly in a trade or business carried on by a natural person, or in any activity carried on by a person other than a natural person (“Private Use”) excluding, however, use by a state or local governmental unit and use as a member of the general public including periodic use described in Section 7.03.

7.06. No Private Payment or Security. Each of the City and the SCSD represents, warrants and covenants that no portion of the principal of or interest on the Bonds during the term thereof is or will be, under the terms of the Bonds or any underlying arrangement, directly

or indirectly, secured by any interest in property used or to be used for a Private Use, or in payments in respect of property used or to be used for a Private Use, or is to be or will be derived from payments, whether or not to the City or the SCSD, in respect of property or borrowed money used or to be used for a Private Use.

7.07. Educational Purpose. Each of the City and the SCSD represents, warrants and covenants that it reasonably expects to use all Bond Proceeds and all facilities that are financed or refinanced thereby for educational purposes in a manner that will not give rise to Private Use for the entire stated term to maturity of the Bonds.

7.08. No Output Facilities. Each of the City and the SCSD certifies that none of the proceeds of the Bonds will be used directly or indirectly for the acquisition of nongovernmental output property, and that any such use arising after the Closing Date will not exceed the lesser of five percent (5%) of the proceeds of the Bonds or \$15,000,000. The term “nongovernmental output property” means any property or interest in property which before acquisition was used or held for use by a non-exempt person in connection with an output facility (other than a facility for the furnishing of water) on or after October 14, 1987, but does not include any property which is to be converted to a use not in connection with an output facility unless the property is part of the output function of a nuclear power facility.

7.09. Economic Life. The SCSD represents, warrants and covenants that one hundred and twenty percent (120%) of the average reasonably expected economic life of the assets financed (including placed in service adjustment) by the Proceeds of the Bonds determined as of the date of issue of the Bonds is not less than 35.3524 years. Land was not taken into account in determining the average economic life of such facilities. The SCSD’s calculations regarding the average reasonably expected economic life of the assets financed by the Proceeds of the Bonds is attached hereto as Exhibit E.

7.10. No Loans. Each Borrowing Entity represents, warrants and covenants that it has not and will not use any portion of the Bonds to make or finance loans to any person.

7.11. No Overissuance. Each Borrowing Entity represents, warrants and covenants that the total Proceeds to be received by the Issuer from the sale of the Bonds and anticipated investment earnings thereon, do not exceed the total of the amount necessary to finance the government purposes for which the Bonds are issued.

7.12. No Abuse or Overburdening of the Market. Each Borrowing Entity represents, warrants and covenants that the Bonds, including the investment earnings to be derived therefrom, are not and will not be a part of a transaction or series of transactions that: (a) enables the Borrowing Entities or any related person to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (b) overburdens the market for tax-exempt obligations in any manner, including, without limitation, by selling bonds that would not otherwise be sold, or selling more bonds, or issuing bonds sooner, or allowing bonds to remain outstanding longer, than would otherwise be necessary.



7.13. No Replacement. Each Borrowing Entity represents, warrants and covenants that no portion of the Proceeds of the Bonds will be used, directly or indirectly, to replace funds of any of the Borrowing Entities or any related person which were intended to be used for the purpose of the Bonds and will be used directly or indirectly to acquire Investment Property reasonably expected to produce a yield higher than the yield on the Bonds. The SCSD and the City represent, warrant and covenant that the term of the Bonds is not longer than is reasonably necessary to accomplish the governmental purpose for which the Bonds are being issued.

7.14. No Federal Guaranty. Each Borrowing Entity represents, warrants and covenants that it will not directly or indirectly use or permit the use of any Proceeds of the Bonds or any other funds of the Borrowing Entities or any related party or take or omit to take any action that would cause the Bonds to be obligations that are “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance of this representation, warranty and covenant, the Borrowing Entities will not allow the payment of principal or interest with respect to the Bonds to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof. Except as provided in the next sentence, the Borrowing Entities will not use 5% or more of the Proceeds of the Bonds to make or finance loans the payment of principal or interest with respect to which is guaranteed in whole or in part by the United States or any agency or instrumentality thereof, nor will it invest 5% or more of the Proceeds in federally-insured deposits or accounts. The preceding sentence shall not apply to: (a) investments in the Project Fund during applicable temporary periods, (b) investments in bona fide debt service funds; and (c) investments in obligations issued by the United States Department of the Treasury.

7.15. No Hedge Bonds. Each Borrowing Entity represents, warrants and covenants that, as of the date hereof, it reasonably expects to spend at least eighty-five percent (85%) of the Net Sale Proceeds of the Bonds to finance the Project within three (3) years of the date hereof. The City represents that less than fifty percent (50%) of the Net Sale Proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four (4) years or more.

7.16. Investment Property.

A) General Rule. No Investment Property may be acquired with Gross Proceeds for an amount (including transaction costs, except as otherwise provided in Section 1.148-5(e)(2) of the Treasury Regulations) in excess of the fair market value of such Investment Property. No Investment Property may be sold or otherwise disposed of for an amount (including transaction costs, except as otherwise provided in Section 1.148-5(e)(2) of the Treasury Regulations) less than the fair market value of the Investment Property.

B) Fair Market Value. In general, the fair market value of any Investment Property is the price at which a willing buyer would pay to a willing seller to acquire the Investment Property, with no amounts paid to artificially reduce or increase the yield on such Investment Property. Other methods may be used, however, to establish fair market value provided, however, that such methods comply with the requirements of Section 1.148-5 of the Treasury Regulations.

7.17. Information Reporting. With respect to the Bonds, the Borrowing Entities direct the Issuer to file an Internal Revenue Service Form 8038-G, or similar information reporting form, with the Internal Revenue Service.

7.18. Single Issue. The City represents that all of the Bonds have been sold at substantially the same time, have been sold pursuant to the same plan of financing and are reasonably expected to be paid from substantially the same source of funds, determined without regard to guarantees from unrelated parties. The City represents that no other governmental obligations: (a) have been, or will be sold within fifteen (15) days of the sale of the Bonds, (b) have been, or will be sold pursuant to the same plan of financing, and (c) are reasonably expected to be paid out of substantially the same source of funds as the Bonds, determined without regard to guarantees from unrelated parties. The City sold certain general obligations within fifteen (15) days of the sale of the Bonds; however, the City represents that such obligations were not sold pursuant to the same plan of financing as the Bonds and such obligations are not reasonably expected to be paid out of substantially the same source of funds as the Bonds.

## VIII. ARBITRAGE REBATE

8.01 Each Borrowing Entity acknowledges that the United States Department of the Treasury has issued regulations with respect to the method of computing whether any rebate amount is due to the federal government under Section 148(f) of the Code.

8.02 Each Borrowing Entity specifically covenants and agrees to comply with all provisions of Section 148 of the Code and the Treasury Regulations promulgated thereunder for the purpose of assuring that none of the Bonds become “arbitrage bonds” with the meaning of such term in Section 148 of the Code.

8.03 In furtherance of the covenants and agreements made in other parts of this Article VIII, and without any limitation thereof, the City and SCSD covenant and agree, for itself and on behalf of the Issuer, that, in the event any Proceeds that are subject to yield restriction are found to have been invested in such a manner as the applicable yield restriction has been exceeded, the City and the SCSD will cause Yield Reduction Payments to be made to the United States under the authority of, and pursuant to the requirements of Treasury Regulation 1.148-5(c). As provided in Treasury Regulation 1.148-5(c), any such Yield Reduction Payments are to be made within the times and in the manner provided for payments of Rebate Amount as provided in Treasury Regulation 1.148-3.

8.04 The City represents, warrants and covenants that it will undertake to determine what is required with respect to the rebate provisions contained in Section 148(f) of the Code, including without limitation the retention of a “rebate analyst”, and will comply with any and all requirements that may apply to the Bonds in a timely manner and with Article V of the Tax Certificate. In that regard, the Borrowing Entities will, on a timely basis, provide the Issuer with all necessary information and payments of earnings on the Bond Proceeds and such other

amounts as the Issuer shall deem necessary, to enable the Issuer to comply with Article V of the Tax Certificate and the arbitrage and rebate requirements of the Code, including without limitation the provisions relating to payment of arbitrage rebate found in Section 148 of the Code.

8.05 Each Borrowing Entity covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Certificate until the date three (3) years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations (the “Refunding Obligations”), each Borrowing Entity covenants to maintain all records required to be retained by this 8.05 until the later of the date three (3) years after the last outstanding Bonds have been retired or the date three (3) years after the last Refunding Obligations have been retired. The records that must be retained include, but are not limited to:

(a) Basic records and documents relating to the Bonds (including the Indenture, the Installment Sale Agreement and the Opinion of Bond Counsel);

(b) Documentation evidencing expenditure of Bond Proceeds and other sources, if any, including capital reserves or operating revenues of the SCSD or the City;

(c) Documentation evidencing use of the Project by Outside Users (e.g., copies of management contracts, research agreements, leases, etc.);

(d) Documentation evidencing all sources of payment or security for the Bonds; and

(e) Documentation pertaining to any investment of Bond Proceeds (including the purchase and sale of securities, United States Treasury Securities – State and Local Government Series subscriptions, yield calculations for each class of investments, actual investment income received from the investment of Proceeds, guaranteed investment contracts, and rebate calculations) including, without limitation and as applicable, information regarding purchase price, nominal rate of interest, amount of accrued interest purchased, par or face amount, purchase date, maturity date, amount of original issue discount or premium, type of investment property, frequency of periodic payments, period of compounding, yield to maturity, disposition date and amount, brokerage commissions and market data sufficient to establish that the purchase price was equal to fair market value.

8.06 The Borrowing Entities hereby acknowledge the creation, under the Indenture, of the Rebate Fund, into which the Issuer will deposit or cause to be deposited any monies received in accordance with this Certificate for purposes of paying rebate to the United States Treasury Department and which is so identified. The City and the SCSD hereby further covenants that the City and the SCSD, on behalf of the Issuer, shall deposit, or cause to be deposited, with the Trustee or direct the Trustee to transfer from designated funds, any amount in the Rebate Fund as necessary to increase or decrease the sum held in the Rebate Fund for the Rebate Requirement.

**IX. MISCELLANEOUS MATTERS**

9.01 Authorization to Execute. Each undersigned is an authorized representative of the respective Borrowing Entity identified above its signature acting for and on behalf of such Borrowing Entity in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

9.02 Survival of Defeasance of Bonds. Notwithstanding any provision in this Certificate or the Resolution to the contrary, the obligation to remit the rebate requirement, if any, to the United States Department of the Treasury and to comply with all other requirements contained in this Certificate shall survive defeasance of the Bonds.

9.03 Counterparts. This Certificate may be simultaneously executed in several counterparts, each of which will be an original all of which shall constitute but one and the same instrument.

9.04 Headings for Convenience. Any headings preceding the texts of the several Articles and Sections of this Certificate shall be solely for convenience of reference and shall not constitute a part of this Certificate, nor shall they affect its meaning, construction or effect.

9.05 Post Issuance Compliance. The City and the SCSD have adopted, or will adopt within reasonable time after the issuance date of the Bonds, written post-issuance compliance procedures for monitoring the ongoing compliance with federal tax requirements and with covenants made in this Certificate relating to the ownership and use of the Project by the SCSD and Outside Users, covenants relating to diligently completing the Project and spending Proceeds on eligible capital expenditures, allocation of Proceeds to expenditures, investment of Proceeds and compliance with yield restriction and rebate requirements.

IN WITNESS WHEREOF, I have hereunto set my hand to this Arbitrage and Use of Proceeds Certificate this 15<sup>th</sup> day of March, 2018.

**Acknowledged:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: Jaime Alicea  
Jaime Alicea  
Superintendent

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin R. Walsh  
Chairperson

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David DeVecchio  
Commissioner of Finance

IN WITNESS WHEREOF, I have hereunto set my hand to this Arbitrage and Use of Proceeds Certificate this 15<sup>th</sup> day of March, 2018.

**Acknowledged:**

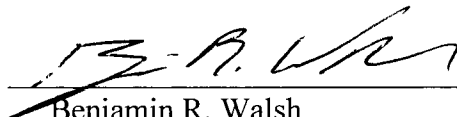
**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

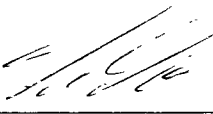
By: \_\_\_\_\_  
Suzanne Slack  
Chief Financial Officer

By: \_\_\_\_\_  
Jaime Alicea  
Superintendent

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:   
\_\_\_\_\_   
Benjamin R. Walsh  
Chairperson

**CITY OF SYRACUSE**

By:   
\_\_\_\_\_   
David DeVecchio  
Commissioner of Finance

**EXHIBIT A**

**BUDGET**

|                 | Bellevue     | Ed Smith     | Frazer      | Grant        |              |
|-----------------|--------------|--------------|-------------|--------------|--------------|
| Preconstruction | \$1,219,000  | \$1,650,000  | \$800,000   | \$1,996,000  |              |
| Construction    | \$16,655,000 | \$16,950,000 | \$5,300,000 | \$19,430,000 |              |
| Incidental      | \$3,626,000  | \$4,000,000  | \$1,000,000 | \$4,174,000  |              |
| Total           | \$21,500,000 | \$22,600,000 | \$7,100,000 | \$25,600,000 | \$76,800,000 |

|                |        |        |        |        |
|----------------|--------|--------|--------|--------|
| Est completion | Jul-19 | Jul-19 | Oct-18 | Sep-19 |
|----------------|--------|--------|--------|--------|

**EXHIBIT B**  
**ISSUANCE COSTS**

| <b><u>PAYEE</u></b>       | <b><u>AMOUNT</u></b> | <b><u>PURPOSE</u></b>     |
|---------------------------|----------------------|---------------------------|
| SIDA                      | \$336,325.00*        | Issuer Fee                |
| Barclay Damon LLP         | 125,000.00           | Bond Counsel fee          |
| Barclay Damon LLP         | 560,319.32*          | NYS Bond Issuance Charge  |
| Trespasz & Marquardt, LLP | 65,000.00            | Borrower Counsel fee      |
| M&T                       | 5,500.00             | Trustee fees              |
| Hodgson Russ LLP          | 8,000.00             | Trustee Counsel fee       |
| New York State MBBA       | 10,000.00            | MBBA acceptance fee       |
| PRAG                      | 10,000.00            | Advisor to<br>MBBA/NYSHCR |
| Bonadio                   | 6,000.00             | Auditor fees              |
| Capital Markets Advisors  | 60,000.00            | Advisor to SJSCB          |
| Imagemaster               | 5,000.00             | POS/OS posting            |
| Moody's                   | 43,000.00            | Rating Agency Fees        |
| S&P Global                | 36,000.00            | Rating Agency Fees        |
| Fitch Ratings             | 40,000.00            | Rating Agency Fees        |
| Misc                      | 3,500.00             | Contingency               |
| Total                     | \$1,313,644.32       |                           |

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\* Not considered a cost of issuance for purposes of the Internal Revenue Code of 1986, as amended.



**EXHIBIT C**  
**YIELD CALCULATION**

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV<br>Factor | Present Value<br>to 03/15/2018<br>@ 2.6447472168% |
|------------|---------------|---------------|--------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971  | 2,010,212.19                                      |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324  | 1,580,158.37                                      |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223  | 1,559,535.48                                      |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481  | 4,461,173.76                                      |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941  | 1,446,997.24                                      |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472  | 4,421,708.29                                      |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972  | 1,335,610.60                                      |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367  | 4,382,186.89                                      |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608  | 1,225,375.11                                      |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676  | 4,346,876.25                                      |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574  | 1,116,185.08                                      |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336  | 4,315,238.60                                      |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017  | 1,007,948.21                                      |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700  | 4,286,775.69                                      |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494  | 900,584.68  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530  | 33,205,369.32                                     |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965  | 79,861.48   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979  | 78,819.20   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777  | 77,790.52   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588  | 76,775.26   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661  | 75,773.26   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270  | 74,784.33   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713  | 73,808.31   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307  | 72,845.02   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394  | 71,894.31   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334  | 70,956.01   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513  | 70,029.95   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334  | 69,115.98   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223  | 68,213.94   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626  | 67,323.67   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009  | 66,445.01   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859  | 4,101,136.64                                      |
|            | 91,789,762.98 | 91,789,762.98 |              | 76,797,508.65                                     |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% | 05/01/2026 | 100.000    | 2.4698367%             |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% | 05/01/2026 | 100.000    | 2.5398721%             |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% | 05/01/2026 | 100.000    | 2.6497442%             |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% | 05/01/2026 | 100.000    | 2.7397341%             |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% | 05/01/2026 | 100.000    | 2.7897287%             |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% | 05/01/2026 | 100.000    | 2.8198220%             |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% | 05/01/2026 | 100.000    | 2.8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% |           |            | 2.6963777%             | 0.2265411%        |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% |           |            | 2.9364737%             | 0.3966016%        |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% |           |            | 3.1663014%             | 0.5165572%        |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% |           |            | 3.3466397%             | 0.6069056%        |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% |           |            | 3.4741604%             | 0.6844317%        |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% |           |            | 3.5716360%             | 0.7518140%        |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% |           |            | 3.6689980%             | 0.7992417%        |

## FORM 8038 STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Date       | Principal     | Coupon | Price   | Issue Price   | Redemption at Maturity |
|----------------|------------|---------------|--------|---------|---------------|------------------------|
| Serial Bond:   |            |               |        |         |               |                        |
|                | 05/01/2020 | 3,090,000.00  | 5.000% | 107.300 | 3,315,570.00  | 3,090,000.00           |
|                | 05/01/2021 | 3,250,000.00  | 5.000% | 110.040 | 3,576,300.00  | 3,250,000.00           |
|                | 05/01/2022 | 3,415,000.00  | 5.000% | 112.291 | 3,834,737.65  | 3,415,000.00           |
|                | 05/01/2023 | 3,590,000.00  | 5.000% | 114.496 | 4,110,406.40  | 3,590,000.00           |
|                | 05/01/2024 | 3,775,000.00  | 5.000% | 116.653 | 4,403,650.75  | 3,775,000.00           |
|                | 05/01/2025 | 3,970,000.00  | 5.000% | 118.086 | 4,688,014.20  | 3,970,000.00           |
|                | 05/01/2026 | 4,170,000.00  | 5.000% | 119.663 | 4,989,947.10  | 4,170,000.00           |
|                | 05/01/2027 | 4,385,000.00  | 5.000% | 118.524 | 5,197,277.40  | 4,385,000.00           |
|                | 05/01/2028 | 4,610,000.00  | 5.000% | 117.959 | 5,437,909.90  | 4,610,000.00           |
|                | 05/01/2029 | 4,845,000.00  | 5.000% | 117.079 | 5,672,477.55  | 4,845,000.00           |
|                | 05/01/2030 | 5,095,000.00  | 5.000% | 116.364 | 5,928,745.80  | 5,095,000.00           |
|                | 05/01/2031 | 5,355,000.00  | 5.000% | 115.969 | 6,210,139.95  | 5,355,000.00           |
|                | 05/01/2032 | 5,630,000.00  | 5.000% | 115.732 | 6,515,711.60  | 5,630,000.00           |
|                | 05/01/2033 | 5,920,000.00  | 5.000% | 115.340 | 6,828,128.00  | 5,920,000.00           |
|                | 05/01/2034 | 6,165,000.00  | 3.250% | 98.759  | 6,088,492.35  | 6,165,000.00           |
|                |            | 67,265,000.00 |        |         | 76,797,508.65 | 67,265,000.00          |

|                | Maturity Date | Interest Rate | Issue Price   | Stated Redemption at Maturity | Weighted Average Maturity | Yield   |
|----------------|---------------|---------------|---------------|-------------------------------|---------------------------|---------|
| Final Maturity | 05/01/2034    | 3.250%        | 6,088,492.35  | 6,165,000.00                  |                           |         |
| Entire Issue   |               |               | 76,797,508.65 | 67,265,000.00                 | 10.0095                   | 2.6447% |

|  |              |
|--|--------------|
| Proceeds used for accrued interest                                       | 0.00         |
| Proceeds used for bond issuance costs (including underwriters' discount) | 1,709,655.66 |
| Proceeds used for credit enhancement                                     | 0.00         |
| Proceeds allocated to reasonably required reserve or replacement fund    | 0.00         |

**EXHIBIT D**  
**EXCEPTIONS**

None.

**EXHIBIT E**  
**ECONOMIC LIFE CALCULATION**

| School            | Cost         | Proceeds Allocated (Less COI) | Life | PIS  | Adj Life | Weighted Cost    | Completion Date | Issue Date |
|-------------------|--------------|-------------------------------|------|------|----------|------------------|-----------------|------------|
| <b>Frazer</b>     |              |                               |      |      |          |                  | 10/1/18         | 3/15/18    |
| Building          | \$3,368,000  | \$3,291,104.29                | 39   | 0.54 | 38.46    | \$126,585,789    |                 |            |
| Land Improvements | \$1,932,000  | \$1,887,890                   | 20   | 0.54 | 19.46    | \$36,744,029     |                 |            |
| Other             | \$1,800,000  | \$1,758,904                   | 10   | 0.54 | 9.46     | \$16,644,530     |                 |            |
| Subtotal          | \$7,100,000  | \$6,937,898                   |      |      |          |                  |                 |            |
| <b>Bellevue</b>   |              |                               |      |      |          |                  | 7/1/19          |            |
| Building          | \$15,525,000 | \$15,175,921.46               | 39   | 1.28 | 37.72    | \$572,485,650.84 |                 |            |
| Equipment         | \$400,000    | \$391,006.03                  | 10   | 1.28 | 8.72     | \$3,410,858.06   |                 |            |
| Land Improvements | \$1,130,000  | \$1,104,592.03                | 20   | 1.28 | 18.72    | \$20,681,594.32  |                 |            |
| Other             | \$4,445,000  | \$4,345,054.49                | 10   | 1.28 | 8.72     | \$37,903,160.22  |                 |            |
| Subtotal          | \$21,500,000 | \$21,016,574                  |      |      |          |                  |                 |            |
| <b>Grant</b>      |              |                               |      |      |          |                  | 9/1/19          |            |
| Building          | \$17,950,000 | \$17,549,243.11               | 39   | 1.44 | 37.56    | \$659,130,339.21 |                 |            |
| Land Improvements | \$1,480,000  | \$1,446,957.09                | 20   | 1.44 | 18.56    | \$26,853,937.92  |                 |            |
| Other             | \$6,170,000  | \$6,032,246.80                | 10   | 1.44 | 8.56     | \$51,629,421.90  |                 |            |
| Subtotal          | \$25,600,000 | \$25,028,447                  |      |      |          |                  |                 |            |

| School<br>Ed Smith | Cost         | Proceeds<br>Allocated<br>(Less COI) | Life | PIS  | Adj Life | Weighted Cost      | Compl<br>etion<br>Date<br>7/1/19 | Issue<br>Date |
|--------------------|--------------|-------------------------------------|------|------|----------|--------------------|----------------------------------|---------------|
| Building           | \$16,220,000 | \$15,864,692                        | 39   | 1.28 | 37.72    | \$598,468,350.98   |                                  |               |
| Equipment          | \$400,000    | \$391,237.79                        | 10   | 1.28 | 8.72     | \$3,412,879.77     |                                  |               |
| Land Improvements  | \$730,000    | \$714,008.96                        | 20   | 1.28 | 18.72    | \$13,368,595.20    |                                  |               |
| Other              | \$5,250,000  | \$5,134,995.96                      | 10   | 1.28 | 8.72     | \$44,794,046.97    |                                  |               |
| Subtotal           | \$22,600,000 | \$22,104,935                        |      |      |          |                    |                                  |               |
| Total              |              | \$75,087,854                        |      |      |          | \$2,212,113,183.55 |                                  |               |

Notes: Building and Land Imp  
aggregated in Budget

Life Weighted  
Cost/  
Proceeds 29.4603 years



BARCLAY DAMON LLP

Lori L. McRobbie  
*Paralegal*

May 1, 2018

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
7017 1450 0000 0413 4685

Internal Revenue Service  
Ogden, Utah 84201

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A  
IRS 8038-G

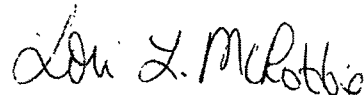
Dear Sir or Madam:

Enclosed please find original IRS Form 8038-G prepared in connection with the above referenced issue.

A Form 2848 Power of Attorney **has been filed** with your office indicating the Issuer has appointed Susan Katzoff of our office as its representative and I hereby request a Notice CP152 be sent to her attention in the self-addressed, stamped envelope provided for the above issue.

Please do not hesitate to contact me with any questions.

Very truly yours,



Lori L. McRobbie

Enclosures

7017 1450 0000 0413 4685

**U.S. Postal Service<sup>SM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**SPECIAL DELIVERY**

Certified Mail Fee: \$  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Restricted \$  
 Adult Signature Restricted Delivery \$

Postage: \$  
 Retail Postage and Fees: \$

Sent to: Internal Revenue Service  
 Street and Apt. No., or PO Box No. Ogden, UT 84201  
 City, State, ZIP+4<sup>®</sup>

PS Form 3800, April 2011 PSN 7530-02-000-9053 See Reverse for Instructions

MAY 27 2018  
 OGDEN, UT 84201  
 USPS

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY   |
|--|---|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> | <p>A. Signature <input type="checkbox"/> Agent<br/> <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>  |
| <p>1. Article Addressed to:</p> <p>Internal Revenue Service<br/>         Ogden, UT 84201</p>   | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>         If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>MAY 27 2018<br/>         OGDEN, UT 84201</p>  |
| <p>2. Article Number (Transfer from service label)</p> <p>7017 1450 0000 0413 4685</p>   | <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express<sup>®</sup></p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail<sup>TM</sup></p> <p><input checked="" type="checkbox"/> Certified Mail<sup>®</sup> <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation<sup>TM</sup></p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |



**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)  
 ► See separate instructions.  
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

|  |            |   |  |
|--|------------|---|--|
| <b>Part I Reporting Authority</b>  |            | If Amended Return, check here <input type="checkbox"/>                          |  |
| 1 Issuer's name<br>City of Syracuse Industrial Development Agency  |            | 2 Issuer's employer identification number (EIN)<br>52 1380308                   |  |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)   |            | 3b Telephone number of other person shown on 3a                                 |  |
| 4 Number and street (or P.O. box if mail is not delivered to street address)<br>201 East Washington Street, 7th Floor                                  | Room/suite | 5 Report number (For IRS Use Only)<br>3   |  |
| 6 City, town, or post office, state, and ZIP code<br>Syracuse, NY 13214  |            | 7 Date of issue<br>3/15/2018  |  |
| 8 Name of issue<br>School Facility Revenue Bonds<br>(Syracuse City School District Project) Series 2018A   |            | 9 CUSIP number<br>871683DJ4   |  |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)<br>Michael Frame, Chairman |            | 10b Telephone number of officer or other employee shown on 10a<br>(315)448-8127 |  |

|  |    |              |    |
|--|----|--------------|----|
| <b>Part II Type of Issue (enter the issue price). See the instructions and attach schedule.</b>                |    |              |    |
| 11 Education . . . . .   | 11 | \$76,797,508 | 65 |
| 12 Health and hospital . . . . .   | 12 |              |    |
| 13 Transportation . . . . .  | 13 |              |    |
| 14 Public safety . . . . .   | 14 |              |    |
| 15 Environment (including sewage bonds) . . . . .  | 15 |              |    |
| 16 Housing . . . . .   | 16 |              |    |
| 17 Utilities . . . . .   | 17 |              |    |
| 18 Other. Describe ►   | 18 |              |    |
| 19 If obligations are TANs or RANs, check only box 19a . . . . . <input type="checkbox"/>                      |    |              |    |
| If obligations are BANs, check only box 19b . . . . . <input type="checkbox"/>                                 |    |              |    |
| 20 If obligations are in the form of a lease or installment sale, check box . . . . . <input type="checkbox"/> |    |              |    |

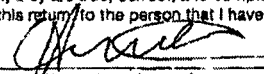
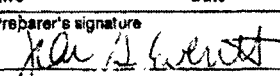
|   |                         |                  |   |                               |           |
|---|-------------------------|------------------|---|-------------------------------|-----------|
| <b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b> |                         |                  |   |                               |           |
|   | (a) Final maturity date | (b) Issue price  | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21  | 05/01/2034              | \$ 76,797,508.85 | \$ 67,265,000.00                        | 10.0095 years                 | 2.6447 %  |

|  |  |    |              |    |  |
|--|--|----|--------------|----|--|
| <b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b> |  |    |              |    |  |
| 22   | Proceeds used for accrued interest . . . . .   | 22 |              |    |  |
| 23   | Issue price of entire issue (enter amount from line 21, column (b)) . . . . .                      | 23 | \$76,797,508 | 65 |  |
| 24   | Proceeds used for bond issuance costs (including underwriters' discount) . . . . .                 | 24 | \$813,011    | 34 |  |
| 25   | Proceeds used for credit enhancement . . . . .   | 25 |              |    |  |
| 26   | Proceeds allocated to reasonably required reserve or replacement fund . . . . .                    | 26 |              |    |  |
| 27   | Proceeds used to currently refund prior issues . . . . .   | 27 | \$7,417,430  | 00 |  |
| 28   | Proceeds used to advance refund prior issues . . . . .   | 28 |              |    |  |
| 29   | Total (add lines 24 through 28) . . . . .  | 29 | \$8,230,441  | 34 |  |
| 30   | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . . | 30 | \$68,567,067 | 31 |  |

|   |   |            |       |
|---|---|------------|-------|
| <b>Part V Description of Refunded Bonds. Complete this part only for refunding bonds.</b> |   |            |       |
| 31  | Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . . | 0          | years |
| 32  | Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . .   |            | years |
| 33  | Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . .         | 3/15/2018  |       |
| 34  | Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)                               | 06/22/2017 |       |

**Part VI Miscellaneous**

|     |   |     |                          |
|-----|---|-----|--------------------------|
| 35  | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)   | 35  | 0                        |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)  | 36a |                          |
| b   | Enter the final maturity date of the GIC ▶ _____  |     |                          |
| c   | Enter the name of the GIC provider ▶ _____  |     |                          |
| 37  | Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units   | 37  |                          |
| 38a | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:   |     |                          |
| b   | Enter the date of the master pool obligation ▶ _____  |     |                          |
| c   | Enter the EIN of the issuer of the master pool obligation ▶ _____   |     |                          |
| d   | Enter the name of the issuer of the master pool obligation ▶ _____  |     |                          |
| 39  | If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box <input type="checkbox"/>  |     | <input type="checkbox"/> |
| 40  | If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>  |     | <input type="checkbox"/> |
| 41a | If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:  |     |                          |
| b   | Name of hedge provider ▶ _____  |     |                          |
| c   | Type of hedge ▶ _____   |     |                          |
| d   | Term of hedge ▶ _____   |     |                          |
| 42  | If the issuer has superintegrated the hedge, check box <input type="checkbox"/>   |     | <input type="checkbox"/> |
| 43  | If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input type="checkbox"/> |     | <input type="checkbox"/> |
| 44  | If the issuer has established written procedures to monitor the requirements of section 148, check box <input type="checkbox"/>   |     | <input type="checkbox"/> |
| 45a | If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____   |     |                          |
| b   | Enter the date the official intent was adopted ▶ _____  |     |                          |

|                        |  |  |   |  |
|------------------------|--|--|---|--|
| Signature and Consent  | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above. |  |   |  |
|                        | <br>Signature of issuer's authorized representative   |  | 3/15/18<br>Date   |  |
| Paid Preparer Use Only | Jean S. Everett<br>Preparer's name   |  | <br>Preparer's signature |  |
|                        | Barclay Damon LLP<br>Firm's name   |  | 4/12/18<br>Date   |  |
|                        | 125 East Jefferson Street, Syracuse, NY 13202<br>Firm's address  |  | Check <input type="checkbox"/> if self-employed<br>PTIN 1285587   |  |
|                        |  |  | Firm's EIN ▶ 15-0339022<br>Phone no. (315)425-2700  |  |



**Bond Issuance Charge**  
**Public Authorities Law — Section 2976**

|  |                          |  |                   |
|--|--------------------------|--|-------------------|
| Issuer<br>City of Syracuse Industrial Development Agency   |                          | Taxpayer identification number (TIN)<br>52-1380308 |                   |
| Number and street<br>201 East Washington Street, 7th Floor   | City or town<br>Syracuse | State<br>NY  | ZIP code<br>13202 |
| Title of issue<br>School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A |                          |  |                   |
| Type of issue (see instructions on back)<br>(A1) Governmental use of bonds                           |                          | Date of issuance<br>3/15/18                        |                   |

**Computation of bond issuance charge**

|   |  |            |      |
|---|--|------------|------|
| 1 | Amount subject to bond issuance charge (chargeable amount) (see Chargeable amount on back) | 66,704,680 | 68   |
| 2 | Percentage charge (from Percentage charge table below)                                     |            | .84% |
| 3 | Bond issuance charge (multiply line 1 by line 2)   | 560,319    | 32   |

**Percentage charge table (for line 2 above) – Effective March 31, 2009**

| Chargeable amounts<br>(based on amount from line 1 above) | Percentage charge |
|---|-------------------|
| Single family mortgage revenue bonds .....                | .07%              |
| \$1,000,000 or less .....                                 | .168%             |
| \$1,000,001 to \$5,000,000 .....                          | .336%             |
| \$5,000,001 to \$10,000,000 .....                         | .504%             |
| \$10,000,001 to \$20,000,000 .....                        | .672%             |
| More than \$20,000,000 .....                              | .84%              |

**Certification:** I certify that to the best of my knowledge the information herein is true, correct, and complete.

|                           |                 |
|---------------------------|-----------------|
| Signature of preparer<br> | Date<br>3/15/18 |
| Signature of issuer<br>   | Date<br>3/15/18 |

Return this form to:  
**NYS TAX DEPARTMENT**  
**DIVISION OF THE TREASURY—ACCOUNTING UNIT**  
**PO BOX 22119**  
**ALBANY NY 12201-2119**



Trust Operations  
 PO Box 1377  
 Buffalo, NY 14240  
 Please Contact: 1-800-982-4620

000000037 FTRSCSTBDG0003151816 01 000000

3/15/18

94  
 NYS TAX DEPARTMENT  
 DIVISION OF THE TREASURY  
 ACCOUNTING UNIT  
 PO BOX 22119  
 ALBANY NY 12201-2119

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|---|----|------------------|
| Postage   | \$ | Postmark<br>Here |
| Certified Fee                                     |    |                  |
| Return Receipt Fee<br>(Endorsement Required)      |    |                  |
| Restricted Delivery Fee<br>(Endorsement Required) |    |                  |
| Total Postage & Fees                              | \$ |                  |

Sent To: NYS TAX DEPARTMENT  
 DIVISION OF THE TREASURY  
 ACCOUNTING UNIT  
 PO BOX 22119  
 ALBANY NY 12201-2119

**No. 228992913**

SYRACUSE SCHOOLS 2018A PROJECT FUND

3/15/18

127743-001

OFFICER 0056 RUSSELL WHITLEY

INCOME  PRINCIPAL

\$560,319.32

NYS TAX DEPARTMENT  
 DIVISION OF THE TREASURY  
 ACCOUNTING UNIT  
 PO BOX 22119  
 ALBANY NY 12201-2119

50 PMT OF REQ #1

TRSCHK:TRCHK1

DETACH & RETAIN FOR YOUR RECORDS

THE BACK OF THIS CHECK CONTAINS A SECURITY MARK. DO NOT ACCEPT WITHOUT HOLDING AT AN ANGLE TO VERIFY SECURITY MARK.

**OFFICIAL CHECK**



127743-001

**No. 228992913**

10-4  
220

Date 3/15/18

PAY FIVE HUNDRED SIXTY THOUSAND THREE HUNDRED NINETEEN AND 32/100

U.S. DOLLARS \$ 560,319.32

TWO SIGNATURES REQUIRED FOR AMOUNTS OF \$10,000 AND OVER

TO THE ORDER OF NYS TAX DEPARTMENT  
 DIVISION OF THE TREASURY  
 ACCOUNTING UNIT  
 PO BOX 22119  
 ALBANY NY 12201-2119

*[Signature]*  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_  
 AUTHORIZED SIGNATURES

MANUFACTURERS AND TRADERS TRUST COMPANY

⑈ 228992913⑈ ⑆ 022000046⑆ ⑆ 7005087920086⑈

000000037-00000037-Page 1 of 1-FTRSCSTBDG0003151816-000000096-SPEC101

## FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is entered into as of March 15, 2018, by and between the SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD (the "JSCB"), on behalf of itself, the CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the "SCSD") and the CITY OF SYRACUSE (the "City"), party of the first part, and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (the "Trustee"), party of the second part, in connection with the issuance by City of Syracuse Industrial Development Agency (the "Agency") of its \$67,265,000 aggregate principal amount School Facility Revenue Bonds (City School District of the City of Syracuse Project), Series 2018A (the "Series 2018A Bonds").

The Series 2018A Bonds are being issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "Indenture"). Proceeds of the Series 2018A Bonds are being used to (a) to finance a portion of the costs of the Series 2018A Project (as defined herein), consisting of the design and/or rehabilitation and reconstruction of certain existing school buildings located in the City, and the acquisition of equipment, fixtures and furnishings all for use by the SCSD (the "Series 2018A Project") as more particularly set forth in the Indenture and in accordance with Chapter 58, Part A-4 of the Laws of 2006 of the State, as amended (the "Syracuse Schools Act"); (b) to fund capitalized interest for the Series 2010 Project; and (c) to finance certain costs of issuance of the Series 2018A Bonds. The Series 2018A Project is being undertaken to finance certain costs of Phase II of a four/to/five phase ten/year comprehensive redevelopment program.

In order to permit the Underwriters of the Series 2018A Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2018A Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by JSCB, on behalf of each of the City and the SCSD, and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2018A Bonds and in order to assist the Underwriters in complying with the Rule (as defined below). The JSCB and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

**SECTION 2. Definitions.** Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

"Annual Report" shall mean any annual report and related annual information to be provided by the JSCB on behalf of the SCSD and the City, pursuant to Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

"Disclosure Representative" shall mean the Chairman of the JSCB or his or her designee, or such other person as the JSCB shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the SCSD and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period of twelve months beginning July 1 of each year and ending on June 30 of the same year, or any other twelve month period adopted by the SCSD as its fiscal year for accounting purposes.

“Listed Events” shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Repository” shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of New York.

“Underwriters” shall mean collectively, Raymond James, on its own behalf and as the Representative of the other Underwriters set forth on Schedule I attached hereto, as the original underwriters of the Series 2018A Bonds required to comply with the Rule in connection with the offering of the Series 2018A Bonds.

### SECTION 3. Obligations to Provide Continuing Disclosure.

On an annual basis, no later than one calendar year after the end of each respective Fiscal Year, commencing with the Fiscal Year ended June 30, 2018, the JSCB shall provide, on behalf of the SCSD or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as provided in Section 4(ii) hereof. If the Fiscal Year changes, the JSCB shall give notice of such change in the same manner as required for a Listed Event. The JSCB shall provide sufficient copies of the Annual Reports to facilitate the Dissemination Agent’s carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the JSCB, on behalf of the SCSD, for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the SCSD and the City.

The Dissemination Agent shall file a report with the JSCB and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual Report has been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.



SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) The audited financial statements of the SCSD for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the SCSD's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available; and

(b) Material historical quantitative data, including, but not limited to, information on State Aid to Education to be received by the SCSD and/or the City, as applicable, and all statutory intercepts applicable to the SCSD and/or the City, as applicable, as applicable, not otherwise described in the Final Official Statement dated March 2, 2018 ("Final Official Statement"), as well as any other revenues, expenditures, financial operations and indebtedness with respect to the Series 2018A Bonds generally of the type discussed in the sections and subsections of the Final Official Statement entitled, "THE PROGRAM," "PROGRAM PARTICIPANTS", and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS —State Aid."

(c) A report consolidating the information required from the SCSD under subsection 4(i)(a) above.

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the SCSD may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call 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 shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The SCSD shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2018A Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2018A Bonds, or other material events affecting the tax status of the Series 2018A Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2018A Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the JSCB, the SCSD or the Issuer;

Note to clause (13): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the SCSD in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the SCSD, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the SCSD

14. The consummation of a merger, consolidation, or acquisition involving the SCSD or the Issuer or the sale of all or substantially all of the assets of the SCSD or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
16. Failure of the SCSD to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement;

(b) Certain of the six Listed Events subject to a materiality standard may not be applicable. Whenever the SCSD obtains knowledge of the occurrence of such a Listed Event, the SCSD shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2018A Bonds.

(c) The JSCB, on behalf of the SCSD, shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the SCSD to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the SCSD nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2018A Bonds, (B) the SCSD does not apply for or participate in obtaining the enhancement, and (C) the SCSD does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2018A Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2018A Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes," "structured," "targets" or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The JSCB's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2018A Bonds.

SECTION 7. Dissemination Agent. The JSCB may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the JSCB, on behalf of SCSD or the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the JSCB shall pay the Dissemination Agent an annual fee of \$500.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the "Requirements") may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the SCSD, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2018A Bonds, after taking into account any

amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the SCSD (such as, but without limitation, the SCSD's financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2018A Bonds, ceases to be in effect for any reason, and the SCSD elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the JSCB, on behalf of the SCSD, shall have delivered to the Trustee an opinion of Counsel, addressed to the SCSD, the City, the JSCB, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the JSCB from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the JSCB, at the direction of the SCSD or the City, chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the JSCB shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Requirements (the "Undertaking") or for any remedy for breach thereof, unless such Bondholder shall have filed with the SCSD evidence of ownership and a written notice of and request to cure such breach, and the SCSD shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the SCSD agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the

Trustee and the Dissemination Agent's negligence or willful misconduct. The obligations of SCSD under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the JSCB:

Syracuse Joint Schools Construction Board  
Attention: Secretary  
203 City Hall  
Syracuse, New York 13202  
E-mail address: jbarry@syr.gov.net  
Tel: (315) 448-8400

with copies to

SCSD:

City SCSD of the City of Syracuse  
725 Harrison Street, City Hall  
Syracuse, New York 13210  
Attention: Superintendent  
dharris@scsd.us  
Tel: (315) 435-4499

the City:

City of Syracuse  
Attention: Mayor and Corporation Counsel  
233 East Washington Street  
City Hall, Room 203  
Syracuse, New York 13202  
E-mail address: jbarry@syr.gov.net  
Tel: (315) 448-8400

and

Theodore A. Trespasz, Jr., Esq.  
Trespasz & Marquardt, LLP  
251 West Fayette Street  
Syracuse, New York 13202  
E-mail address: ttrespasz@lawtm.com  
Tel: (315) 466-4444

To the Trustee:

Manufacturers and Traders Trust Company  
One M & T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
E-mail address: rwhitley@mtb.com  
Tel: (716) 842-5602

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 9.3 of the Indenture as if it were a fiduciary under the Indenture.

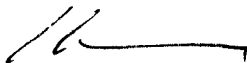
SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD

By: \_\_\_\_\_  
Hon. Benjamin R. Walsh  
Mayor, City of Syracuse and Chair, Syracuse  
Joint Schools Construction Board

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Series 2018A Trustee

By:  \_\_\_\_\_  
Authorized Officer

To the Trustee:

Manufacturers and Traders Trust Company  
One M & T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
E-mail address: rwhitley@mtb.com  
Tel: (716) 842-5602

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

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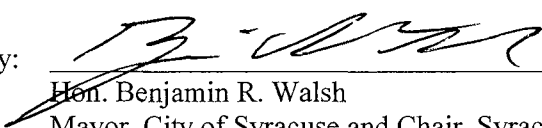
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SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD

By: \_\_\_\_\_

  
Hon. Benjamin R. Walsh  
Mayor, City of Syracuse and Chair, Syracuse  
Joint Schools Construction Board

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Series 2018A Trustee

By: \_\_\_\_\_

Authorized Officer

SCHEDULE I

Raymond James

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.



EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Syracuse Industrial Development Agency  
Name of Bond Issue: \$67,265,000 Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A (the "Series 2018A  
Bonds")  
Date of Issuance: March 15, 2018

NOTICE IS HEREBY GIVEN that City School District of the City of Syracuse (the "SCSD") has not provided an Annual Report with respect to the above-named Series 2018A Bonds as required by the Continuing Disclosure Agreement, dated as of March 15, 2018 between the Syracuse Joint Schools Construction Board, on behalf of the SCSD and the City of Syracuse, and Manufacturers and Traders Trust Company, as trustee. [The \_\_\_\_\_ anticipates that an Annual Report will be filed by\_\_\_\_\_.]

Dated: \_\_\_\_\_



## Blanket Issuer Letter of Representations

[To be Completed by Issuer]

City of Syracuse Industrial Development Agency

[Name of Issuer]

March 30, 1995

[Date]

Attention: Underwriting Department — Eligibility  
The Depository Trust Company  
55 Water Street; 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

City of Syracuse Industrial Development Agency

By: 

[Authorized Officer's Signature]

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: 

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

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

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

103282

2018 MAR 19 9:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A NAME & PHONE OF CONTACT AT FILER [optional]**  
**Susan R. Katzof, Esq.**

**B SEND ACKNOWLEDGMENT TO. (Name and Address)**

**Barclay Damon LLP**  
**Barclay Damon Tower**  
**125 East Jefferson Street**  
**Syracuse, New York 13202**  
**Attn: Susan Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

**1a ORGANIZATION'S NAME**  
**City of Syracuse Industrial Development Agency**

OR  
**1b INDIVIDUAL'S LAST NAME** FIRST NAME MIDDLE NAME SUFFIX

**1c MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY  
**201 East Washington Street, 7th Floor** **Syracuse** **NY** **13202** **USA**

ADD'L INFO RE ORGANIZATION DEBTOR **1e TYPE OF ORGANIZATION** **1f JURISDICTION OF ORGANIZATION** **1g ORGANIZATIONAL ID #, if any**  
 [REDACTED] **public benefit corp.** **New York**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

**2a ORGANIZATION'S NAME**

OR  
**2b INDIVIDUAL'S LAST NAME** FIRST NAME MIDDLE NAME SUFFIX

**2c MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR **2e TYPE OF ORGANIZATION** **2f JURISDICTION OF ORGANIZATION** **2g ORGANIZATIONAL ID #, if any**  
 [REDACTED] [REDACTED] [REDACTED]  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

**3a ORGANIZATION'S NAME**  
**Manufacturers and Traders Trust Company**

OR  
**3b INDIVIDUAL'S LAST NAME** FIRST NAME MIDDLE NAME SUFFIX

**3c MAILING ADDRESS** CITY STATE POSTAL CODE COUNTRY  
**One M&T Plaza, 7th Floor** **Buffalo** **NY** **14203** **USA**

4 This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor granted to Secured Party under the Trust Indenture dated as of March 1, 2018, in the property described in Schedule "A" attached hereto.

5. ALTERNATIVE DESIGNATION [if applicable]:  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum  7 Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] [ADDITIONAL FEE] [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

SIDA/JSCB - 2018A Indenture (State)

103282

2018 MAR 19 11:00

### UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

|  |            |                     |
|--|------------|---------------------|
| 9a ORGANIZATION'S NAME                                   |            |                     |
| OR <b>City of Syracuse Industrial Development Agency</b> |            |                     |
| 9b INDIVIDUAL'S LAST NAME                                | FIRST NAME | MIDDLE NAME, SUFFIX |

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

|                                   |                          |                                   |  |
|-----------------------------------|--------------------------|-----------------------------------|--|
| 11a ORGANIZATION'S NAME           |                          |                                   |  |
| OR                                |                          |                                   |  |
| 11b INDIVIDUAL'S LAST NAME        | FIRST NAME               | MIDDLE NAME                       | SUFFIX   |
| 11c. MAILING ADDRESS              |                          | CITY                              | STATE   POSTAL CODE   COUNTRY                                  |
| ADD'L INFO RE ORGANIZATION DEBTOR | 11e TYPE OF ORGANIZATION | 11f. JURISDICTION OF ORGANIZATION | 11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE |

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

|                             |            |             |                               |
|-----------------------------|------------|-------------|-------------------------------|
| 12a ORGANIZATION'S NAME     |            |             |                               |
| OR                          |            |             |                               |
| 12b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX                        |
| 12c. MAILING ADDRESS        |            | CITY        | STATE   POSTAL CODE   COUNTRY |

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

16. Additional collateral description:

17. Check only if applicable and check only one box  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENTS  
FROM CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE  
RELATING TO THE INDENTURE

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the "**Agency**") has entered into a certain Indenture of Trust (Series 2018A) dated as of March 1, 2018 (the "**Indenture**") by and between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"), for the holders of the Agency's School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in Schedule A attached to the Indenture.

Pursuant to the Indenture, the Agency assigned and granted a security interest in the following to the Trustee, and its successors in trust and assigns, for the securing of the performance of the obligations of the Agency set forth in the Indenture:

1. All moneys and securities from time to time held by the Trustee under the terms of the Indenture including amounts set apart and transferred to the Project Fund, the Bond Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from such funds in accordance with the provisions of the Installment Sale Agreement and the Indenture (and when so disbursed, such amounts shall automatically be released from the assignment, pledge, lien and security interest of the Indenture); provided, however, there is expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund.

2. All right, title and interest of the Agency in and to the Installment Sale Agreement, including all installment purchase payments, revenues and receipts payable or receivable thereunder, excluding, however, the Agency's Reserved Rights, which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally; provided, however, that no exercise by the Agency of the Agency's Reserved Rights shall limit or restrict the rights of the Trustee or the Bondholders to exercise their rights and remedies under the Security Documents.

3. All right, title and interest of the Agency in and to the State Aid to Education pursuant to the Syracuse Schools Act, subject, however: (i) to the right of the Agency or any other public entity to make any future pledges, of no greater priority than the pledge effected under this Indenture, of its respective right, title and interest in and to the State Aid to Education; and (ii) to the right of the Agency to receive state and/or school aid payable to the City or the SCSD, for application in the priority set forth in Section 5.4 of the Indenture, in satisfaction of the Agency's Reserved Rights (which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally).

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2018 MAR 19 11:59:00

4. Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Agency or by any other person, firm or corporation with or without the consent of the Agency, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

103281

2018 MAR 15 9:00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Susan R. Katzof, Esq.**

B. SEND ACKNOWLEDGMENT TO. (Name and Address)

**Barclay Damon LLP  
 Barclay Damon Tower  
 125 East Jefferson Street  
 Syracuse, New York 13202  
 Attn: Susan Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME  
**City of Syracuse Industrial Development Agency**

OR  
 1b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**201 East Washington Street, 7th Floor Syracuse NY 13202 USA**

ADD'L INFO RE ORGANIZATION DEBTOR 1e TYPE OF ORGANIZATION 1f JURISDICTION OF ORGANIZATION 1g ORGANIZATIONAL ID #, if any  
 [REDACTED] **public benefit corp. New York**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME

OR  
 2b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR 2e TYPE OF ORGANIZATION 2f JURISDICTION OF ORGANIZATION 2g ORGANIZATIONAL ID #, if any  
 [REDACTED]  NONE

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME  
**Manufacturers and Traders Trust Company**

OR  
 3b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**One M&T Plaza, 7th Floor Buffalo NY 14203 USA**

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor granted to Secured Party under the Pledge and Assignment dated as of March 1, 2018 in the property described in Schedule "A" attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed for record (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

SIDA/JSCB - 2018A Pledge and Assignment (State)

FILING NUMBER: 201803190129513



103281

2018 MAR 19 11:09:00

### UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

|  |            |                     |
|--|------------|---------------------|
| 9a. ORGANIZATION'S NAME                                  |            |                     |
| OR <b>City of Syracuse Industrial Development Agency</b> |            |                     |
| 9b. INDIVIDUAL'S LAST NAME                               | FIRST NAME | MIDDLE NAME, SUFFIX |

**10. MISCELLANEOUS:**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names.**

|                                   |                           |                                   |  |
|-----------------------------------|---------------------------|-----------------------------------|--|
| 11a. ORGANIZATION'S NAME          |                           |                                   |  |
| OR                                |                           |                                   |  |
| 11b. INDIVIDUAL'S LAST NAME       | FIRST NAME                | MIDDLE NAME                       | SUFFIX   |
| 11c. MAILING ADDRESS              |                           | CITY                              | STATE   POSTAL CODE   COUNTRY                                  |
| ADD'L INFO RE ORGANIZATION DEBTOR | 11e. TYPE OF ORGANIZATION | 11f. JURISDICTION OF ORGANIZATION | 11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE |

**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

|                             |            |             |                               |
|-----------------------------|------------|-------------|-------------------------------|
| 12a. ORGANIZATION'S NAME    |            |             |                               |
| OR                          |            |             |                               |
| 12b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX                        |
| 12c. MAILING ADDRESS        |            | CITY        | STATE   POSTAL CODE   COUNTRY |

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

15. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"  
TO UCC-1 FINANCING STATEMENTS  
FROM CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE  
RELATING TO PLEDGE AND ASSIGNMENT

The CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the "**Agency**") has entered into a Pledge and Assignment dated as of March 1, 2018 (as the same may be amended, modified, or supplemented from time to time, the "**Pledge and Assignment**") in favor of MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "**Trustee**"), in connection with the Agency's School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Pledge and Assignment.

Pursuant to the Pledge and Assignment, the Agency granted to the Trustee a lien on and security interest in all of the Agency's right, title and interest in any and all moneys due or to become due and any and all other rights and remedies of the Agency under or arising out of a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, by and among the Agency, the City of Syracuse (the "**City**"), the City School District of the City of Syracuse (the "**SCSD**") and the Syracuse Joint Schools Construction Board (the "**JSCB**" and together with the City and the JSCB, collectively, the "**School Parties**"), (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009, by and among the Agency and the School Parties (the "**First Amended Agreement**"), as further amended by Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010, by and among the Agency and the School Parties (the "**Second Amended Agreement**"), and as further amended by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011, by and among the Agency and the School Parties (the "**Third Amended Agreement**"), as further amended by Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017, by and among the Agency and the School Parties (the "**Fourth Amended Agreement**"); and as further amended by Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018, by and among the Agency and the School Parties (the "**Fifth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, collectively referred to as the "**Agreement**" or the "**Installment Sale Agreement**") covering the real property described in Schedule A attached hereto (except for Reserved Rights and the moneys and investments in the Rebate Fund), *provided, however*, that the assignment made hereby shall not permit the amendment of the Agreement without the prior written consent of the Agency.

**DESCRIPTION OF FACILITIES**

1. The Institute of Technology at Syracuse Central (the former Central Technical High School) located at 258 East Adams Street;
2. Shea Middle School located at 1607 South Geddes Street;
3. Dr. Weeks Elementary located at 710 Hawley Avenue;
4. Clary Middle School located at 100 Amidon Drive;
5. Fowler High School located at 227 Magnolia Street; and
6. H.W. Smith Pre-K-8 School located at 1130 Salt Springs Road.
7. Bellevue Elementary School located at 530 Stolp Avenue, Syracuse, NY;
8. Frazer Pre-K-8 School located at 741 Park Ave., Syracuse, NY;
9. Ed Smith Pre-K-8 School located at 1106 Lancaster Ave., Syracuse, NY; and
10. Grant Middle School located at 2400 Grant Blvd., Syracuse, NY.

## CLOSING RECEIPT

**\$67,265,000**

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

**THIS CLOSING RECEIPT**, executed March 15, 2018, by the City of Syracuse Industrial Development Agency (the "**Agency**"), Syracuse Joint School Construction Board ("**JSCB**"), the City of Syracuse (the "**City**"), the City School District of the City of Syracuse ("**SCSD**"), Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"), and Raymond James & Associates, Inc., as representative of the underwriters (the "**Underwriter**") in connection with the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**") issued under and pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "**Indenture**"), by and between the Agency and the Trustee.

### WITNESSETH:

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Indenture shall have the meanings ascribed to them therein, except that, for purposes of this Closing Receipt: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this Closing Receipt and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this Closing Receipt and not as of any future date or to any successor or assign.

(1) The Agency: (a) has executed and delivered or is delivering, to the Trustee, the Series 2018A Bonds, and hereby requests and authorizes the Trustee to authenticate the same in accordance with the Indenture and to deliver them to or upon the order of the Underwriter upon payment by the Underwriter to the Trustee for the account of the Agency for the Series 2018A Bonds \$76,401,497.31 (the "**Series 2018A Purchase Price**"), representing the aggregate principal amount of the Series 2018A Bonds of \$67,265,000 plus original issue premium of \$9,532,508.65 less Underwriter's discount of \$396,011.34; and (b) acknowledges receipt from the Trustee of notice that the Trustee has received the Purchase Price; (c) directs the Trustee to apply the Purchase Price in accordance with the Indenture and Requisition No. 1 for the Series 2018A Bonds; (d) has executed, delivered, sealed and acknowledged, where appropriate, all documents to which it is a party; (e) has executed and directed Bond Counsel to mail the Information Returns required by Section 149(e) of the Internal Revenue Code of 1986, as amended, to the appropriate office of the Internal Revenue Service; (f) acknowledges receipt of all documents duly executed and acknowledged, where appropriate, by the School Parties, the Trustee, the Depository Bank and the Underwriter; and (g) acknowledges receipt from the JSCB of its administrative fee, if any.

(2) The JSCB: (a) has executed, delivered, sealed and acknowledged, where appropriate, all documents to which it is a party; (b) has delivered to the Trustee Requisition No. 1 from the Project Fund for the Series 2018A Bonds pursuant to the Indenture; and (c) acknowledges receipt from the Trustee of the amount requested in each such Requisition and directs the Trustee to disburse such amount in accordance with each such Requisition.

(3) The City has executed, delivered, sealed and acknowledged, where appropriate, all documents to which it is a party including the Tax Compliance documents.

(4) The SCSD has executed, delivered, sealed and acknowledged, where appropriate, all documents to which it is a party including the Tax Compliance documents.

(5) The Trustee: (a) has executed, delivered, sealed and acknowledged, where appropriate, all documents to which it is a party; (b) acknowledges receipt from the Agency of the Bonds; (c) confirms that it has authenticated the Bonds and has delivered them in accordance with the instructions received from the Underwriter; (d) acknowledges receipt of the Purchase Price for deposit and application in accordance with Requisition No. 1 for the Project Fund for the Series 2018A Bonds and the Indenture; and (e) acknowledges receipt of all documents duly executed and acknowledged, where appropriate, by the Agency, the School Parties, and the Underwriter.

(6) The Underwriter (a) has caused to be paid to the Trustee for the account of the Agency the Purchase Price for the Bonds, and (b) acknowledges receipt this day of the Bonds duly executed, sealed, attested and authenticated.

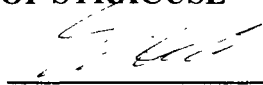
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Closing Receipt has been duly executed by the Agency, the City, the SCSD, the JSCB, the Trustee and the Representative.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Honora Spillane, Executive Director

**CITY OF SYRACUSE**

By:   
\_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

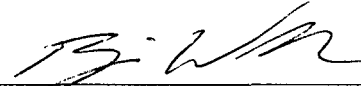
**ACKNOWLEDGED BY EACH:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Suzanne Slack  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

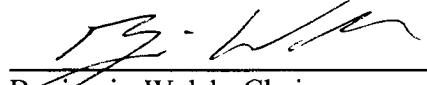
By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
\_\_\_\_\_  
Benjamin Walsh, Chairperson

**RAYMOND JAMES & ASSOCIATES, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

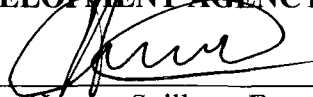
By:   
\_\_\_\_\_  
Benjamin Walsh, Chairperson

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee**

By: \_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President

IN WITNESS WHEREOF, this Closing Receipt has been duly executed by the Agency, the City, the SCSD, the JSCB, the Trustee and the Representative.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By:   
Honora Spillane, Executive Director

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**ACKNOWLEDGED BY EACH:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

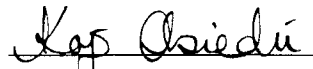
By: \_\_\_\_\_  
Suzanne Slack  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

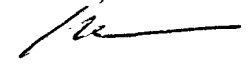
**RAYMOND JAMES & ASSOCIATES, INC.**

By:   
Name: **KOLO ASIEDU**  
Title: **VICE PRESIDENT, VICE PRESIDENT**

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee**

By:   
Russell T. Whitley  
Assistant Vice President

IN WITNESS WHEREOF, this Closing Receipt has been duly executed by the Agency, the City, the SCSD, the JSCB, the Trustee and the Representative.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Honora Spillane, Executive Director

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
David J. DelVecchio, CPA  
Commissioner of Finance

**ACKNOWLEDGED BY EACH:**

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**RAYMOND JAMES & ASSOCIATES, INC.**

By: \_\_\_\_\_

Name:

Title:

**SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee**

By: \_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President



**PROJECT FUND  
REQUISITION NO. 1**

**TO:** Manufacturers and Traders Trust Company,  
as Trustee

**FROM:** Syracuse Joint Schools Construction Board

Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.1 of the Indenture of Trust dated as of March 1, 2018 (the “*Indenture*”) between the City of Syracuse Industrial Development Agency (the “*Agency*”) and yourself, a check or checks (or wire transfer or wire transfers) in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Installment Sale Agreement referred to in the Indenture.

I hereby certify that

1. I am an Authorized Representative of the JSCB;
2. the number of this Requisition is 1;
3. the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.2(b) of the Indenture and each such item has been properly paid or incurred as an item of Project Cost;
4. none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;
5. no portion of the proceeds of the Series 2018A Bonds will be applied to reimburse the School Parties for Project Costs paid more than sixty (60) days prior to March 1, 2018, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Series 2018A Bonds which were applied to finance certain preliminary expenses with respect to the Series 2018A Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing, bond costs of issuance and similar costs incurred prior to the commencement of construction or rehabilitation of the Series 2018A Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Series 2018A Project. No portion of the proceeds of the Series 2018A Bonds will be applied to reimburse the School Parties for a cost (other than preliminary expenditures) (y) more than eighteen (18) months after the date the original expenditure was paid, or (z) more than eighteen (18) months after the

date the related Facility to which the cost relates was placed in service, whichever is later. In no event shall the proceeds of the Series 2018A Bonds be applied to reimburse the School Parties for a Project Cost paid more than three (3) years after the original expenditure was paid, unless such cost is attributable to a preliminary expenditure, as described above;

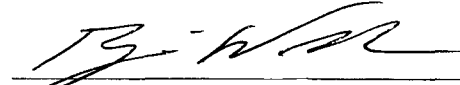
6. the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;
7. each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;
8. I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment;
9. if the payment herein requested is a reimbursement to the School Parties for costs or expenses of the School Parties incurred by reason of work performed or supervised by officers or employees of the School Parties or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the School Parties and such costs or expenses will be treated by the School Parties on their books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;
10. if the payment herein requested is for an item of personalty, upon payment of the cost thereof such item of personalty will be subject to the Installment Sale Agreement and the Bill of Sale to Agency.
11. such item of cost for which payment is herein requested is chargeable to the capital account of the Series 2018A Project for federal income tax purposes, or would be so chargeable either with an election by the School Parties or but for the election of the School Parties to deduct the amount of such item;
12. each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Compliance Documents; and
13. each item for which payment under this Requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than ninety-five percent (95%) of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in Section 167 of the Code.

The payees authorized to receive amounts under this Requisition will submit to you, under separate cover, bills, invoices, or other documents evidencing and supporting this Requisition, upon which you are entitled to rely, provided the amounts requested in such bills, invoices, or other documents are no greater than those amounts listed for those payees in Schedule A to this Requisition. Such bills, invoices, or other documents will also indicate a method of payment for each payee, and you are authorized to provide payment by such listed method of payment.

**DATED:** March 15, 2018

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:

  
\_\_\_\_\_  
Benjamin Walsh, Chairperson

## SCHEDULE A TO REQUISITION NO. 1

| <u>Costs of Issuance</u>                          | <u>2018 Transaction</u> | <u>Invoice</u>            |
|---|-------------------------|---------------------------|
| Barclay Damon (Bond Counsel)                      | \$125,000               | Attached                  |
| Trespasz & Marquardt (SJSCB's Counsel)            | \$65,000                | Attached                  |
| M&T (Trustee)                                     | \$5,500                 | Attached                  |
| Hodgson Russ (Trustee's Counsel)                  | \$8,000                 | Attached                  |
| Bonadio (Auditor)                                 | \$6,000                 | Attached                  |
| Capitol Markets Advisors, LLC (Financial Advisor) | \$60,000                | Attached                  |
| S&P Global  | \$36,000                | Attached                  |
| Fitch Ratings                                     | \$40,000                | Attached                  |
| MBBA  | \$10,000                | Attached                  |
| PRAG (MBBA's Financial Advisor)                   | \$10,000                | Attached                  |
| Imagemaster (Printer)                             | \$2,053.43              | Attached                  |
| SIDA Fee  | \$336,325               | Attached                  |
| NYS Bond Issuance Charge                          | \$ 560,319.32           | Attached                  |
| BAN payment                                       | \$7,417,430.00          | Per Letter of Instruction |
| <b>Total</b>                                      | <b>8,681,627.75</b>     |                           |

**BARCLAY DAMON** <sup>LLP</sup>

March 15, 2018

City of Syracuse Industrial Development Agency  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, New York, 13202

**Re: CIY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

\$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

**FOR LEGAL SERVICES RENDERED** as Bond Counsel to the City of Syracuse Industrial Development Agency in connection with its issuance of the above-referenced School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, including without limitation, drafting and negotiation of resolutions, Indenture of Trust, Amendment No. 5 to Installment Sale Agreement, Fourth Amendatory License Agreement, Bill of Sale, Bond Purchase Agreement, Tax Compliance Agreement, Bonds, Preliminary and Official Statements; participation in working group calls and attendance to correspondence and at pre-closing; post-closing follow up and transcript preparation.

|                                     |                     |
|-------------------------------------|---------------------|
| LEGAL FEE (including disbursements) | \$125,000.00        |
| <b>TOTAL DUE:</b>                   | <b>\$125,000.00</b> |

IN MAKING PAYMENT PLEASE REFER TO FILE NO. 3008827

Wire Instructions:

Key Bank, NA  
201 S. Warren Street  
Syracuse, New York  
ABA Routing: 021300077  
Acct Num: 3296 8102 2391  
Acct Name Barclay Damon, LLP  
Operating Account

Barclay Damon Tower – 125 East Jefferson Street – Syracuse, New York 13202 barclaydamon.com  
reachus@barclaydamon.com Direct 315 425 2700 Fax 315 425 2701



TRESPASZ & MARQUARDT, LLP  
ATTORNEYS AND COUNSELORS AT LAW

March 15, 2018

Syracuse Joint Schools Construction Board

RE: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

FOR PROFESSIONAL SERVICES RENDERED through March 15, 2017 as Finance Counsel to the Syracuse Joint Schools Construction Board (the "JSCB") and Syracuse City School District (the "SCSD") in connection with the authorization, sale and issuance by the Syracuse Industrial Development Agency of its \$67,265,000 City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A including preparation and review of SCSD and JSCB resolutions and City Ordinances, review of the Series 2018A Indenture, Fifth Amendment to Installment Sale Agreement, assistance with federal tax analysis and coordination of tax due diligence for the SCSD, Arbitrage and Use of Proceeds Agreement, the Series 2018A Bonds and the other documents necessary to closing the financing; review of and comments to the Preliminary Official Statement, Final Official Statement and attendance at meetings of the working group, City Council, SCSD Board of Education and JSCB Board; conference calls with working group and Office of the State Comptroller, attendance at closing; and delivery of our final approving opinions.

|  |                        |
|--|------------------------|
| Fees:  | \$65,000.00            |
| Disbursements for travel, overnight mails,<br>copying, phone and fax | <u>included in fee</u> |
| Total  | \$65,000.00            |

If you wire our fee to our checking account:

|                              |                                       |
|------------------------------|---------------------------------------|
| To:                          | Chase Manhattan Bank, Syracuse, NY    |
| Routing Number:              | 021000021                             |
| Account Number:              | 590-500141965                         |
| Account Title:               | Trespasz & Marquardt, LLP             |
| Account Type:                | Checking                              |
| Include following direction: | For further credit to upstate account |

**M&T BANK**  
**INVESTMENT GROUP**

Manufacturers and Traders Trust Company  
Corporate Trust Department, 7th Floor  
One M&T Plaza, Buffalo, New York 14203

To: Dave DelVecchio  
Commissioner of Finance  
City of Syracuse  
233 East Washington Street  
City Hall, Room 203  
Syracuse, NY 13202

March 6, 2018  
  
(127743-000)

For service rendered relating to:

---

Manufacturers and Traders Trust Company, as Trustee for City of Syracuse IDA School  
Facility Revenue Bonds (Syracuse City School District Project), Series 2018A

|                 |                   |
|-----------------|-------------------|
| Acceptance Fee: | \$ 2,500.00       |
| Annual Fee:     | <u>3,000.00</u>   |
| Total:          | <u>\$5,500.00</u> |

The Guaranty Building  
140 Pearl Street, Suite 100  
Buffalo, NY 14202-4040  
716.856.4000

Federal ID #16-0708550



M & T BANK  
ATTN RUSSELL WHITLEY  
ONE M&T PLAZA  
7TH FL  
CORPORATE TRUST DEPARTMENT  
BUFFALO NY 14203

Invoice Date: February 28, 2018  
Invoice Number: 976251  
Our File Number: 002000.09402  
Billing Attorney: FIRM

RE: SYRACUSE CITY SCHOOL DISTRICT PROJECT

For services rendered.

|                      |           |                 |
|----------------------|-----------|-----------------|
| <b>Total Now Due</b> | <b>\$</b> | <b>8,000.00</b> |
|----------------------|-----------|-----------------|

### Wire Instructions

Bank - Manufacturers and Traders Trust  
Company Buffalo New York

ABA #022000046

Account Name- Hodgson Russ LLP

Regular Account Number #6-434-5 Wire

Reference - 002000.09402

Wire Contact: Sandy Pulli Ext. 848-1378

*To Wire Payment: Manufacturers and Traders Trust Company, Buffalo, NY ABA# 022000046 Acct# 6-434-5*

*For Foreign Wires: M&T Swift Code MANTUS33*

**OR:** Contact the Accounting Help Desk at 716.848.1255  
*Payment due in 15 days. Make checks payable to Hodgson Russ LLP.*

*Outstanding invoices reflect this matter only.  
Thank you for your business.*

Albany, NY  
518.465.2333

Palm Beach, FL  
561.656.8608

Saratoga Springs, NY  
518.736.2900

New York, NY  
212.751.4300

Toronto, ON, CANADA  
416.595.5100



# Bonadio & Co., LLP

## Certified Public Accountants

432 North Franklin Street  
 Syracuse, NY 13204  
 Phone: (315) 476-4004  
 FAX: (315) 475-1513

CITY OF SYRACUSE  
 CITY HALL ROOM 128  
 233 EAST WASHINGTON STREET  
 SYRACUSE, NY 13202

**Invoice Date:** February 28, 2018  
**Invoice Number:** BN164789  
**Client Number:** SYR027001

|  |          |
|--|----------|
| Final billing of agreed upon procedures related to the issuance of City of Syracuse Industrial Development Agency School Facility Revenue Bonds 2018A. | 6,000.00 |
|--|----------|

|       |            |
|-------|------------|
| Total | \$6,000.00 |
|-------|------------|

| Accounts Receivable Aging |              |              |               |           |           |
|---------------------------|--------------|--------------|---------------|-----------|-----------|
| Current                   | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 120+ Days | Total     |
| 99,968.50                 | 0.00         | 0.00         | 0.00          | 0.00      | 99,968.50 |

**To enroll in E-Billing or make a payment please visit [www.bonadio.com/online-billing](http://www.bonadio.com/online-billing)**

**Payments due upon receipt. Past due balances are subject to a finance charge of 1.5% per month. Accounts receivable aging amounts above may include finance charges. A \$25 fee will be added to the account for each returned check.**

**Please reference your client number and invoice number when remitting your payment.**

# THE BONADIO GROUP

CPAs, Consultants & More

171 Sully's Trail  
Suite 201  
Pittsford, New York 14534  
Telephone 585-381-1000

## Wire Transfer Instructions

Bank Name: M&T Bank  
255 East Avenue  
Rochester, NY 14604

Contact Name: Judy Cumming  
585-258-8260

Account Name: Bonadio & Co, LLP

Bank Routing Number: 022000046

Bank Account Number: 015976871

Swift Code: MANTUS33



CapitalMarketsAdvisors,LLC

Independent Financial Advisors

11 Grace Avenue, Suite 308

Great Neck, New York 11021

Invoice # 1979

3/15/2018

**Bill To**

Mr. David Delvecchio  
Syracuse Joint Schools Construction Board  
128 City Hall  
Syracuse, NY 13202

| Description   | Amount      |
|---|-------------|
| \$67,265,000 School Facility Revenue Bonds Series 2018A   | 60,000.00   |
| Wire Instructions:<br>Destination: Bank of America.<br>ABA Number: 026-009-593<br>Account Name: Capital Markets Advisors, LLC<br>Account #: 004837114592<br>Reference: Syracuse JSCB Revenue Bonds – 2018 |             |
| Total:  | \$60,000.00 |

[www.capmark.org](http://www.capmark.org)

Phone 516-487-9815

Fax 516-487-2575



Rick Ganci <rganci@capmark.org>

---

**Invoice Request - Syracuse JSCB**

---

**Morgulis, Gershon (NYSHCR)** <Gershon.Morgulis@nyshcr.org>  
To: "rganci@capmark.org" <rganci@capmark.org>  
Cc: "Boyd, Gloria D (NYSHCR)" <Gloria.Boyd@nyshcr.org>

Fri, Mar 9, 2018 at 9:31 AM

Hi Rick,

I've attached the invoice and included wiring instructions below.

MFRS-BUF

ABA# 022000046

Attn: Trust Division/CC880

Michelle Wojciechowicz

Credit: 197181290

MBBA Operating Fund

Please let me know if you have any questions.

Gershon

**Gershon Morgulis**

**S&P Global**  
Ratings

Standard & Poor's Financial Services, LLC  
Federal I.D.: 26- 3740348

Invoice No.: 11343955  
Customer No.: 1000104388  
Invoice Date: 01/18/18  
Tax Exempt No.:  
Page No.: 1  
Print Date: 03/06/18

0201

MR. DAVID DELVECCHIO  
CITY OF SYRACUSE  
128 CITY HALL  
SYRACUSE NY 13202

| Description of Services   | Amount      |
|---|-------------|
| 101011 ANALYTICAL SERVICES RENDERED IN CONNECTION WITH:<br>US\$65,675,000 Syracuse Industrial Development<br>Agency, New York, School Facility Revenue Bonds,<br>(Syracuse City School District Project), Series<br>2018A, dated: Date of delivery, due: May 01, 2035 | \$36,000.00 |

FOR INQUIRIES PLEASE CONTACT: MERIN NINAN  
COLLECTIONSUSRATINGS@SPGLOBAL.COM  
PHONE: 1-800-767-1896 EXT #6  
FAX: 1-212-438-5178

For inquiries contact the client services representative listed on this invoice. Do not return it or direct any inquiries about the invoice to credit ratings analysts. S&P Global Ratings maintains a separation of commercial and analytical activities. Please note that our credit ratings analysts are not permitted to communicate, negotiate, arrange or collect credit rating fees.

Please reference invoice or statement number on all checks and wire transfers

This Invoice Due and Payable As Of: 01/18/18

INVOICE TOTAL \$36,000.00 USD

Make Checks Payable To

**S&P Global**  
Ratings

Standard & Poor's Financial Services, LLC  
Federal I.D.: 26- 3740348

Invoice No.: 11343955  
Customer No.: 1000104388  
Invoice Date: 01/18/18

0201

Billed To:

MR. DAVID DELVECCHIO  
CITY OF SYRACUSE  
128 CITY HALL  
SYRACUSE NY 13202

Wire Transfer To:

Please include invoice #  
Bank of America  
S&P Global Ratings  
Account # 12334-02500  
ABA # 0260-0959-3  
Or E-mail: cashapps@spglobal.com

Remit To:

S&P GLOBAL RATINGS  
2542 COLLECTION CENTER DRIVE  
CHICAGO, IL 60693

10001043880 11343955 03600000 1 700 10 07 0118 4

|                   |
|-------------------|
| TOTAL AMOUNT DUE: |
| \$36,000.00 USD   |
| AMOUNT ENCLOSED:  |

Fitch Ratings, Inc  
 33 Whitehall Street  
 New York, NY 10004  
 Federal IRS Corporate Tax No 13-3974563  
 Phone: (212) 612-7823

## Invoice

Attn: **Suzanne Slack**  
 Syracuse Industrial Development Age  
 233 East Washington Street  
 Syracuse NY 13202

|                                 |                              |
|---------------------------------|------------------------------|
| <b>Billing Information</b>      |                              |
| <b>Terms of Payment</b>         | Payable upon receipt         |
| <b>Invoice No.</b>              | 7119045989                   |
| <b>Invoice Date</b>             | March 06, 2018               |
| <b>Currency</b>                 | USD                          |
| <b>Accounting Contact email</b> | collections@fitchratings.com |

**Syracuse Industrial Development Agency (NY) (Syracuse City School District  
 Project) sch facil rev bonds ser 2018A**

|                               |           |
|-------------------------------|-----------|
| Rating Fee                    | 40,000.00 |
|                               |           |
| <b>Invoice Amount</b>         | 40,000.00 |
| <b>Total Tax</b>              | 0.00      |
| <b>Total Amount Due (USD)</b> | 40,000.00 |

**VIA WIRE:**  
**FITCH RATINGS, INC.**  
 JP Morgan Chase  
 New York, NY  
 ABA#021-0000-21  
 Acct#530-5011-63

**VIA CHECK:**  
**FITCH RATINGS, INC.**  
 General Post Office  
 P.O.Box 26858  
 New York, NY 10087-6858

**Please quote the Invoice Number 7119045989 when making payment**  
*Fitch Ratings' analysts may not participate in negotiations, discussions or communications regarding fees or payments.  
 Please do not discuss or share this invoice or its contents with any Fitch Ratings' analyst.*



# Homes and Community Renewal

**ANDREW M. CUOMO**  
Governor

**RUTHANNE VISNAUSKAS**  
Commissioner/CEO

March 8, 2018

Rick Ganci  
Senior Vice President and Principal  
Capital Markets Advisors, LLC  
4211 N. Buffalo Road, #19  
Orchard Park, NY 14127

Re: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Refunding Bonds  
(Syracuse City School District Project)

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Invoice

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Series 2018 Debt Issuance Fee: \$10,000.00

Total Due: \$10,000.00

Federal Wire Instructions (attached)

Sincerely,

Gloria D. Boyd  
Vice President  
Finance & Development

Invoice

March 15, 2018

Invoice # 18098

State of New York Municipal Bond Bank Agency  
Ms. Gloria Boyd, Vice President  
641 Lexington Avenue  
New York, NY 10022

Financial Advisory Services Relating to:  
\$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Contract No: 2358

|                                      | <u>Amount</u> |
|--------------------------------------|---------------|
| Financial Advisory Services Rendered | \$10,000.00   |

Please remit payment within 30 days. Contact Brenda Henry 212 566-7800 with any question regarding this invoice. Employer Federal I.D. number 13-3266119. Please remit to: Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, NY 10006-3007, or Wire Information: Account #: 910-1617463, JPMorgan Chase Bank, N.A. ABA #: 021000021. Thank you.





# Invoice

| Date     | Invoice # |
|----------|-----------|
| 3/6/2018 | 47147     |

| Bill To  |
|--|
| Syracuse City School District<br>725 Harrison Street<br>Syracuse, NY 13210 |

| Remit To   |
|--|
| ImageMaster, LLC<br>1182 Oak Valley Drive<br>Ann Arbor, MI 48108-9624<br>Phone: 734-821-2523<br>Fax: 734-821-2524<br>EIN: 27-3916541 |

| Terms  | Due Date |
|--------|----------|
| Net 30 | 4/5/2018 |

| Description  | Amount   |
|--|----------|
| \$67,265,000<br>City of Syracuse Industrial Development Agency<br>School Facility Revenue Bonds<br>(Syracuse City School District Project) Series 2018A  |          |
| Preliminary Official Statement and Official Statement:<br>Electronic POS with composition, posting and distribution. OS, 40# opaque, 80# cover,<br>black ink, 8 1/2 x 11, perfect-bound with electronic distribution.  | 1,882.50 |
| Shipping - UPS   | 170.93   |
| <b>ACH/Wire: Chase Bank: 072000326 • Acct: 221306787 • <a href="mailto:accounting@imagemaster.com">accounting@imagemaster.com</a></b><br>Please include INVOICE NUMBER when paying by wire or ACH.<br>For a copy of our W-9 please visit <a href="http://www.imagemaster.com/w9">http://www.imagemaster.com/w9</a> |          |

|  |                         |
|--|-------------------------|
| Please remit to above address. For billing inquiries:734-821-2536. | <b>Total</b> \$2,053.43 |
|--|-------------------------|

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**City of Syracuse  
Industrial Development Agency  
201 East Washington Street 7<sup>th</sup> Floor  
Syracuse, New York 13202  
Tel (315) 473-3275 Fax (315) 435-3669**

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**INVOICE**

**DATE:** March 6, 2018

**TO:** Joint School Construction Board  
Rm. 300 City Hall  
233 E. Washington St.  
Syracuse, N.Y. 13202  
Attn. Joseph Barry

**RE:** Series 2018 A Bond Project  
Bond Issuance \$67,265,000.00

**SIDA FEE** \$336,325.00 (1/2 of 1% of Bond Issuance)

**TOTAL DUE:** \$336,325.00

SIDA fee based upon Uniform Fee Schedule (rev. 4/21/09)

**Please wire funds as follows:**

**ACCOUNT NAME:** SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**BANK:** JP MORGAN CHASE BANK

**ACCOUNT NUMBER:** 282-236-8466

**ABA NUMBER:** 021000021

**ATTN:** DOUGLAS BENNETT



**Bond Issuance Charge**  
**Public Authorities Law — Section 2976**

|  |                          |  |                   |
|--|--------------------------|--|-------------------|
| Issuer<br>City of Syracuse Industrial Development Agency   |                          | Taxpayer identification number (TIN)<br>52-1380308 |                   |
| Number and street<br>201 East Washington Street, 7th Floor   | City or town<br>Syracuse | State<br>NY  | ZIP code<br>13202 |
| Title of issue<br>School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A |                          |  |                   |
| Type of issue (see instructions on back)<br>(A1) Governmental use of bonds                           |                          | Date of issuance<br>3/15/18                        |                   |

**Computation of bond issuance charge**

|   |  |            |      |
|---|--|------------|------|
| 1 | Amount subject to bond issuance charge (chargeable amount) (see Chargeable amount on back) | 66,704,680 | 68   |
| 2 | Percentage charge (from Percentage charge table below)                                     |            | .84% |
| 3 | Bond issuance charge (multiply line 1 by line 2)   | 560,319    | 32   |

**Percentage charge table (for line 2 above) – Effective March 31, 2009**

| Chargeable amounts<br>(based on amount from line 1 above) | Percentage charge |
|---|-------------------|
| Single family mortgage revenue bonds                      | .07%              |
| \$1,000,000 or less                                       | .168%             |
| \$1,000,001 to \$5,000,000                                | .336%             |
| \$5,000,001 to \$10,000,000                               | .504%             |
| \$10,000,001 to \$20,000,000                              | .672%             |
| More than \$20,000,000                                    | .84%              |

**Certification:** I certify that to the best of my knowledge the information herein is true, correct, and complete.

|                           |                 |
|---------------------------|-----------------|
| Signature of preparer<br> | Date<br>3/15/18 |
| Signature of issuer<br>   | Date<br>3/15/18 |

Return this form to:  
NYS TAX DEPARTMENT  
DIVISION OF THE TREASURY—ACCOUNTING UNIT  
PO BOX 22119  
ALBANY NY 12201-2119

**LETTER OF INSTRUCTION**  
**\$67, 265,000**  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

March 15, 2018

Manufacturer and Traders Trust Company,  
as trustee  
One M&T Plaza  
Buffalo, New York 14203  
Attention: Russell Whitley

City of Syracuse  
Syracuse, New York 13202  
Attn: Mayor Benjamin Walsh

Gentlemen:

The City of Syracuse Industrial Development Agency (the “*Issuer*”) at the request of the Joint School Construction Board (the “*JSCB*”), on behalf of the City of Syracuse (the “*City*”) and the City School District of the City of Syracuse (“*SCSD*”), pursuant to the terms of a resolution dated January 16, 2018 and an indenture of trust dated as of March 1, 2018 (the “*Series 2018A Indenture*”) between the Issuer and Manufacturer and Traders Trust Company, as trustee (the “*Series 2018A Trustee*”) is issuing its: (i) School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A in the principal amount of \$67, 265,000 (the “*Series 2018A Bonds*”) for the purposes of financing in part a project (the “*Series 2018A Project*”) consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “*Buildings*”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “*Equipment*” and together with the Buildings, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Series 2018A Bonds.

The proceeds of the Series 2018A Bonds in the amount of \$7,417,430.00 (the

“**Redemption Amount**”) will be used to pay, at maturity on March 15, 2018, a portion of the City’s \$29,800,000 principal amount of outstanding bond anticipation notes (the “**BAN**”).

Pursuant to Sections 4.1 and 5.2 of the Indenture, the Series 2018A Bond proceeds shall be deposited into the Project Fund created thereunder to be disbursed by the Series 2018A Trustee in accordance with the terms thereof.

The City, by execution of this agreement, hereby agrees to use the Redemption Amount received from the Series 2018A Trustee to redeem a portion of the BAN on March 15, 2018.

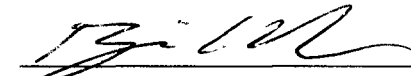
In light of the foregoing, you are hereby irrevocably instructed, as the Series 2018A Trustee, and you hereby agree, as follows, to:

(1) immediately upon deposit of the Series 2018A Bond proceeds into the Project Fund, transfer \$7,417,430.00, from the Project Fund to the City, in accordance with the wiring instructions attached hereto at **Exhibit A**.

The City covenants that none of the Redemption Amount transferred to the City pursuant to this Letter of Instruction shall be withdrawn or used for any purpose other than as set forth herein. If the City does not use the Redemption Amount to redeem the BAN on March 15, 2018, the City shall immediately transfer the Redemption Amount to the Series 2018A Trustee for deposit in the Project Fund created under the Series 2018A Indenture.

The JSCB hereby requests that you acknowledge receipt of this Letter of Instructions and indicate your agreement herewith.

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:   
Benjamin Walsh  
Chairperson

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

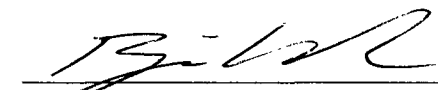
On this \_\_\_ day of March, 2018 receipt is hereby acknowledged of the foregoing Letter of Instructions and the undersigned agrees to undertake the duties herein on accordance with the duties, immunities and obligations imposed by the Indenture in connection therewith.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Series 2018A Trustee**

By: \_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President


On this 15 day of March, 2018 the City hereby consents to the foregoing Letter of Instructions.

**CITY OF SYRACUSE, NEW YORK**

By:  \_\_\_\_\_  
Benjamin Walsh, Mayor

On this 15<sup>th</sup> day of March, 2018 receipt is hereby acknowledged of the foregoing Letter of Instructions and the undersigned agrees to undertake the duties herein on accordance with the duties, immunities and obligations imposed by the Indenture in connection therewith.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Series 2018A Trustee**

By:   
\_\_\_\_\_  
Russell T. Whitley  
Assistant Vice President

On this 15<sup>th</sup> day of March, 2018 the City hereby consents to the foregoing Letter of Instructions.

**CITY OF SYRACUSE, NEW YORK**

By: \_\_\_\_\_  
Benjamin Walsh, Mayor

**EXHIBIT A**

**Wiring Instructions for the City**



David J. DelVecchio, CPA  
Commissioner



Martha A. Maywalt  
First Deputy Commissioner

Deborah L. Somers  
Deputy Commissioner

D E P A R T M E N T O F F I N A N C E

---

Ben Walsh, Mayor

To: Sue Katzoff

From: David DelVecchio  
Commissioner of Finance

Date: February 28, 2018

RE: Wire instructions for JSCB Closing – Requisition # 1  
BAN repayments from Bond Proceeds

Bank Name: JPMorgan Chase  
Routing # 0210-0002-1  
Acct # 550-811001  
Account Name: City of Syracuse

**THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2020

Registered Holder: Cede & Co.

Principal Amount: THREE MILLION NINETY THOUSAND AND 00/100 DOLLARS (\$3,090,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-1

CUSIP: 871683CU0

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the "**State**"), duly organized and existing under the laws of the State (herein called the "**Agency**"), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency's obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an "**Interest Payment Date**"), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

**THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR MORAL OBLIGATION OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2021

Registered Holder: Cede & Co.

Principal Amount: THREE MILLION TWO HUNDRED FIFTY THOUSAND AND  
00/100 DOLLARS (\$3,250,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-2

CUSIP: 871683CV8

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2022

Registered Holder: Cede & Co.

Principal Amount: THREE MILLION FOUR HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$3,415,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-3

CUSIP: 871683CW6

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2023  
Registered Holder: Cede & Co.  
Principal Amount: THREE MILLION FIVE HUNDRED NINETY THOUSAND AND 00/100 DOLLARS (\$3,590,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-4  
CUSIP: 871683CX4

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2024

Registered Holder: Cede & Co.

Principal Amount: THREE MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,775,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-5

CUSIP: 871683CY2

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2025  
Registered Holder: Cede & Co.  
Principal Amount: THREE MILLION NINE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$3,970,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-6  
CUSIP: 871683CZ9

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2026  
Registered Holder: Cede & Co.  
Principal Amount: FOUR MILLION ONE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$4,170,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-7  
CUSIP: 871683DA3

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.



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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2027  
Registered Holder: Cede & Co.  
Principal Amount: FOUR MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$4,385,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-8  
CUSIP: 871683DB1

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2028  
Registered Holder: Cede & Co.  
Principal Amount: FOUR MILLION SIX HUNDRED TEN THOUSAND AND 00/100 DOLLARS (\$4,610,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-9  
CUSIP: 871683DC9

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2029  
Registered Holder: Cede & Co.  
Principal Amount: FOUR MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND AND 00/100 DOLLARS (\$4,845,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-10  
CUSIP: 871683DD7

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2030

Registered Holder: Cede & Co.

Principal Amount: FIVE MILLION NINETY-FIVE THOUSAND AND 00/100 DOLLARS (\$5,095,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-11

CUSIP: 871683DE5

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2031  
Registered Holder: Cede & Co.  
Principal Amount: FIVE MILLION THREE HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$5,355,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-12  
CUSIP: 871683DF2

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the "**State**"), duly organized and existing under the laws of the State (herein called the "**Agency**"), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency's obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an "**Interest Payment Date**"), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018  
Maturity Date: May 1, 2032  
Registered Holder: Cede & Co.  
Principal Amount: FIVE MILLION SIX HUNDRED THIRTY THOUSAND AND 00/100 DOLLARS (\$5,630,000)  
Interest Rate: Five percent (5%) per annum  
Bond Number: RA-13  
CUSIP: 871683DG0

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2033

Registered Holder: Cede & Co.

Principal Amount: FIVE MILLION NINE HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS (\$5,920,000)

Interest Rate: Five percent (5%) per annum

Bond Number: RA-14

CUSIP: 871683DH8

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the "**State**"), duly organized and existing under the laws of the State (herein called the "**Agency**"), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency's obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an "**Interest Payment Date**"), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

Bond Date: March 15, 2018

Maturity Date: May 1, 2034

Registered Holder: Cede & Co.

Principal Amount: SIX MILLION ONE HUNDRED SIXTY-FIVE THOUSAND AND 00/100 DOLLARS (\$6,165,000)

Interest Rate: Three and one quarter percent (3.25%) per annum

Bond Number: RA-15

CUSIP: 871683DJ4

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the “*State*”), duly organized and existing under the laws of the State (herein called the “*Agency*”), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2018A Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency’s obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an “*Interest Payment Date*”), commencing November 1, 2018 through and including the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.



This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2018A Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

**Payment of Principal.** The principal or Redemption Price of the Series 2018A Bonds shall be payable at the corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (said bank and any successor thereto under the Indenture (defined hereinbelow), the “*Trustee*”) and Paying Agent, or at the corporate trust office of any successor Paying Agent.

**Payment of Interest.** In the event the Holder of this bond shall not be DTC or its nominee, interest on this bond shall be payable to the person appearing on the registration books of the Trustee as the registered owner hereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2018A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2018A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the “*Special Record Date*”) which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2018A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

**Authorization and Purpose.** This bond is one of an authorized issue of bonds designated as “City of Syracuse Industrial Development Agency, School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A” (hereinafter called the “*Series 2018A Bonds*”) issued in the aggregate principal amount of \$67,265,000. The Series 2018A Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State, particularly the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, Chapter 641 of the 1979 Laws of New York, as amended (collectively, the “*Act*”), and Chapter 58 Part 4-A of the Laws of the State, and as may be amended (collectively, the “*Syracuse Schools Act*”), and under and pursuant to a resolution adopted by the members of the Agency on January 16, 2018, authorizing the issuance of the Series 2018A

Bonds, and under and pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (as the same may be amended or supplemented, the "**Indenture**"), made and entered into between the Agency and the Trustee the purpose of financing a portion the reconstruction, rehabilitation and/or construction of certain existing school buildings and additions thereto (collectively, the "**Facilities**") within the City of Syracuse, New York (the "**City**") of the City School District of the City of Syracuse, a school district of the State of New York (the "**SCSD**"). Pursuant to a Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 (the "**Fourth Amendatory License**"), amendatory of a License Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**Original License**") as previously amended by an Amendatory License Agreement (Series 2010 Project), dated as of December 1, 2010 (the "**Amendatory License**"), a Second Amendatory License Agreement (Series 2011 Project), dated as of July 1, 2011 (the "**Second Amendatory License Agreement**") and a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017 (the "**Third Amendatory License Agreement**" and together with the Original License, the Amendatory License, the Second Amendatory License and the Third Amendatory License, and as the same may be further amended, modified or supplemented from time to time, collectively, the "**Amendatory License**") each by and among the City, the SCSD and the Agency. The Agency has sold its interest in the Facilities to the City and the SCSD pursuant to Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of even date herewith (the "**Fifth Amended Agreement**"), amendatory of a certain Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**Original Agreement**") as previously amended by Amendment No. 1 to Agreement dated as of March 1, 2009 (the "**First Amended Agreement**"); and by Amendment No. 2 to Agreement (Series 2010 Project) dated as of December 1, 2010 (the "**Second Amended Agreement**"); and by Amendment No. 3 to Agreement (Series 2011 Project) dated as of July 1, 2011 (the "**Third Amended Agreement**"); and Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017 (the "**Fourth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, collectively, the "**Installment Sale Agreement**" as same may further be amended or supplemented), each between the Agency, the City, the SCSD and the Joint School Construction Board (the "**JSCB**"). The Installment Sale Agreement requires, among other things, the payment by the City and the SCSD of Installment Purchase Payments as scheduled payments equal to the principal of and interest on the Series 2018A Bonds and any Additional Bonds that were or may be issued under a Series Indenture (collectively, the "**Bonds**") as the same become due, (the "**Installment Purchase Payments**"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

**Pledge and Security.** The obligation of the City and the SCSD to pay Installment Purchase Payments under the Installment Sale Agreement is executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement referred to below) appropriated by the State and available to the City and/or the SCSD, and budgeted by the SCSD and appropriated by the City and the SCSD for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof is incurred by the City and the SCSD beyond the amount of such moneys so available and appropriated, *provided, however*, that the failure of the City and the SCSD for any reason (including a failure by the State to appropriate State Aid to Education or a failure by the City or the SCSD to budget and appropriate funds) to make an Installment Purchase Payment or an Additional Payment under the

Installment Sale Agreement is deemed a failure to make a payment for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the Indenture. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD and neither the faith and credit nor the taxing powers of the City are pledged to the payment of Installment Purchase Payments. The obligations of the City and the SCSD under the Installment Sale Agreement to pay Installment Purchase Payments in any Fiscal Year of the City and the SCSD constitutes a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness or moral obligation of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State of New York (the “*State*”). The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time for the benefit of the SCSD, and budgeted and appropriated for such purpose by the City and the SCSD and, to the extent of any Installment Purchase Payment deficiency, state and/or school aid payable to the City or the SCSD received by the Trustee pursuant to the intercept by the State Comptroller.

Each of the SCSD, the City and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or assigns, the “*Depository Bank*”), have entered into a State Aid Depository Agreement dated as of March 1, 2008 (“*Depository Agreement*”) as previous amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the “*First Amendment to Depository Agreement*”, and together with the Depository Agreement, collectively the “*State Aid Depository Agreement*” as the same may be further amended or supplemented from time to time), to provide for, among other things, the payment of all State Aid to Education into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to a Debt Service Reserve Fund or equivalent fund, if any, established under any other Series Indenture (no such fund being established hereunder), and the balance to the General Fund (as defined in the State Aid Depository Agreement).

Copies of the Indenture, the Installment Sale Agreement, the License and the State Aid Depository Agreement are on file at the principal corporate trust office of the Trustee at One M & T Plaza, Buffalo, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Series 2018A Bonds, the charging and collection of Installment Purchase Payments for the Facilities, the custody and application of the proceeds of the Series 2018A Bonds, the rights and remedies of the holders of the Series 2018A Bonds, and the rights, duties and obligations of the Agency, the School Parties and the Trustee.

Pursuant to the Indenture, the Agency has assigned to the Trustee substantially all of its right, title and interest in and to the Installment Sale Agreement, including all rights to receive Installment Purchase Payments to pay the principal of and interest on the Series 2018A Bonds as the same become due, all to be made by the City and the SCSD pursuant to the Installment Sale Agreement, and all executory only to the extent of State Aid to Education as provided above.

The Series 2018A Bonds are special obligations of the Agency and shall never constitute a debt of the State of New York nor of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Series 2018A Bonds be payable out of any funds of the Agency other than those pledged therefor. Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Series 2018A Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Trustee and the holders of the Series 2018A Bonds, and the terms upon which the Series 2018A Bonds are issued and secured.

**Additional Bonds.** As provided in the Indenture, Additional Bonds may be issued from time to time in one or more series for the purpose of financing the Facilities, providing funds to repair, relocate, replace, rebuild, or restore an affected Facility in the event of damage, destruction or taking by eminent domain, providing additions, rehabilitation or recreational facilities to one or more Facilities, or refunding outstanding Bonds. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

**Redemption of Series 2018A Bonds.**

(a) *General Optional Redemption.* The Series 2018A Bonds maturing on or prior to May 1, 2026 are not subject to optional redemption prior to the maturity thereof. The Series 2018A Bonds maturing on and after May 1, 2027 are subject to redemption, in whole or in part, at any time on or after May 1, 2026 (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by the City of its intention to prepay Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus in each case accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Series 2018A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2018A Project, or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) *Redemption Procedures.* If any of the Series 2018A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2018A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2018A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2018A Bonds called for redemption shall become due and payable on the redemption date, *provided, however*, that with respect to any redemption of the Series 2018A Bonds as provided in paragraph (a) above, such notice shall

state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Series 2018A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem such Series 2018A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2018A Bonds so called for redemption at the place or places of payment, such Series 2018A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2018A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2018A Bond so affected, shall not affect the validity of the redemption of such Series 2018A Bond.

**Payments Due on Saturdays, Sundays and Holidays.** In any case where any payment date of principal or Redemption Price, if any, and/or interest on this bond shall be (i) a Saturday or Sunday, (ii) a day in which banks in the State of New York, or in the city in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed, then payment of such principal or Redemption Price, if any, and/or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

**Amendment of Indenture.** The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Agency and the rights of the holders of the Bonds at any time by the Agency with the consent of the Trustee, or, where so provided in the Indenture, the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder; provided, however, that if any such amendment or modification would affect only a single series of Bonds, then the consent of the holders of not less than a majority in aggregate principal amount of such series of Bonds at the time Outstanding thereunder shall instead be required. Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

**Book-Entry System.** The Series 2018A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One bond certificate with respect to each date on which the Series

2018A Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or its agent. The book-entry system will evidence positions held in the Series 2018A Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2018A Bonds in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Agency and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, redemption premium, if any, and interest on this bond, (ii) notices, and (iii) voting. Transfer of principal, and interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Redemption Price, and interest payments to Beneficial Owners of the Series 2018A Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Agency and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Agency, the Trustee and the Securities Depository.

**Denominations.** The Series 2018A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof.

**Exchange of Series 2018A Bonds.** The holder of this bond may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2018A Bonds of any of the authorized denominations of the same maturity and maturities as this bond or the Series 2018A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Series 2018A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2018A Bonds to be redeemed, or (ii) transfer or exchange any Series 2018A Bonds selected, called or being called for redemption in whole or in part.

**Transfer of Series 2018A Bonds.** This bond is transferable, as provided in the Indenture, only upon the books of the Agency kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2018A Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Agency, the School Parties, the Bond Registrar, the Trustee and any

Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, and interest due hereon and for all other purposes whatsoever.

**No Acceleration of Series 2018A Bonds.** In no event shall the principal of any Series 2018A Bond be declared due and payable in advance of its final stated maturity.

**Limitation on Bondholder Enforcement Rights.** The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

**Special Obligation of the Agency.** This bond and the issue of which it forms a part are special obligations of the Agency, payable by the Agency solely out of the Installment Purchase Payments, revenues or other receipts, funds or moneys of the Agency pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Series 2018A Bonds.

**Estoppel Clause.** It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

**No Personal Liability.** Neither the members, directors, officers or agents of the Agency nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

**Authentication by Trustee.** This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

**IN WITNESS WHEREOF**, City of Syracuse Industrial Development Agency has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman or Authorized Representative as of the Bond Date indicated above.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Honora Spillane, Authorized Representative



**CERTIFICATE OF AUTHENTICATION**

This bond is one of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, of the issue described in the within-mentioned Indenture.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, Trustee**

By: \_\_\_\_\_  
Authorized Representative

Date of Authentication: March 15, 2018

## ASSIGNMENT

**FOR VALUE RECEIVED** the undersigned sells, assigns and transfers unto

---

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
Attorney to transfer the such bond on the books kept for the registration thereof, with full power  
of substitution in the premises.

**DATED:**

---

**NOTICE:** The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

**SIGNATURE GUARANTEED  
MEDALLION GUARANTEED**

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Authorized Representative  
(Signature Guarantee Program Name)

(Signature Guarantee must be a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)

## GENERAL CERTIFICATE OF THE CITY OF SYRACUSE, NEW YORK

This certificate is made in connection with the issuance by the City of Syracuse Industrial Development Agency (the “*Agency*”) of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the “*Series 2018A Bonds*”) pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “*Indenture*”), between the Agency and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture.

In connection with the issuance of the Series 2018A Bonds, the following were executed and delivered by or on behalf of the City of Syracuse, New York (the “*City*”):

- (a) Fourth Amendatory License Agreement dated as of March 1, 2018, (the “*Fourth Amendatory License Agreement*”) amendatory of a License Agreement, dated as of March 1, 2008, between the City and the City School District of the City of Syracuse (the “*SCSD*”), as licensor, and the Agency, as licensee (the “*Original License Agreement*”), which was previously amended by the City, the Agency and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the “*Amendatory License Agreement*”); and further amended by the City, the Agency and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the “*Second Amendatory License Agreement*”); and further amended by the City, the Agency and the SCSD pursuant to a Third Amendatory License Agreement dated April 1, 2017 (the “*Third Amendatory License Agreement*” and together with the Original License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Fourth Amendatory License Agreement, collectively, the “*License*”);
- (b) The Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, by the City and the SCSD in favor of the Agency;
- (c) Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the “*Fifth Amended Agreement*”), amendatory of that certain Installment Sale Agreement, (Series 2008 Project), dated as of March 1, 2008 (“*Original Agreement*”) which was previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (“*First Amended Agreement*”); Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the “*Second Amended Agreement*”), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the “*Third Amended Agreement*”) and Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the “*Fourth Amended Agreement*” and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, collectively, the “*Installment*”

***Sale Agreement***”), each among the Agency, the City, the SCSD and the Joint School Construction Board (the “***JSCB***”);

- (d) The Pledge and Assignment, dated as of March 1, 2018, by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;
- (e) The Bond Purchase Agreement, dated March 2, 2018 (the “***Purchase Contract***”) by the JSCB on behalf of the city, the SCSD and itself, the Agency and Raymond James (the “***Underwriter***”);
- (f) The Continuing Disclosure Agreement, dated March 15, 2018, by the JSCB on behalf of the City, the SCSD and itself to the Trustee;
- (g) The Arbitrage and Use of Proceeds Certificate, dated the date of delivery of the Series 2018A Bonds, executed by the City, the SCSD and the JSCB;
- (h) An Official Statement, dated March 2, 2018 (the “***Official Statement***”), relating to the Series 2018A Bonds.

The documents listed in paragraphs (a) - (h) above together with all other documents and certificates executed and delivered by the City or the JSCB on behalf of the City in connection with the Series 2018A Project and the issuance of the Series 2018A Bonds are referred to herein collectively as the “***City Documents***.”

In connection with the issuance of the Series 2018A Bonds, I have reviewed the Opinion of the Corporation Counsel dated March 15, 2018, delivered in connection with the issuance of the Series 2018A Bonds.

For purposes of this certificate: (i) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; (ii) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign; and (iii) any term used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture or the Installment Sale Agreement, as applicable.

Each of the undersigned, Mayor and Commissioner of Finance of the City, respectively, does hereby certify that:

1. I am the duly elected or appointed officer of the City and am duly authorized to execute and deliver this certificate in the name and on behalf of the City.
2. The City is duly constituted and validly existing as a municipal corporation under the Constitution and the laws of the State, and authorized to enter into the transactions contemplated by the Purchase Contract and the other City Documents.

3. Each of Ordinance No. 8-08 adopted on January 7, 2008, and approved by the Mayor of the City on January 10, 2008; Ordinance No. 55-08 of the Common Council of the City adopted on February 25, 2008, and approved by the Mayor of the City on February 27, 2008, as amended by Ordinance No. 84-08 of the Common Council of the City adopted on March 10, 2008 and approved by the Mayor of the City on March 10, 2008; Ordinance Nos. 459-2010, 460-2010, 461-2010 and 462-2010 all adopted on September 13, 2010 and approved by the Mayor of the City on September 4, 2010; Ordinance No. 299-2011 adopted on June 20, 2011, and approved by the Mayor of the City on June 23, 2011; Ordinance No. 113-2017 adopted on February 6, 2017, and approved by the Mayor of the City on February 8, 2017; and Ordinance No. 831-2017 adopted on October 10, 2017 and approved by the Mayor of the City on October 16, 2017 (collectively the “*Ordinances*”), remain in full force and effect as of the date hereof and has not been supplemented, amended or repealed since their adoption. Copies of the Ordinances are attached hereto at **Exhibit “A”**.
4. All actions on the part of the City, including necessary and appropriate review by the City’s Corporation Counsel, necessary or appropriate for execution and delivery of the City Documents and issuance of the Series 2018A Bonds have been completed. All conditions precedent set forth in the Ordinances have occurred and have been satisfied, in each case for the execution and delivery of the City Documents by the undersigned or the JSCB in the name and on behalf of the City and the performance by the City of its obligations under the City Documents.
5. The execution and delivery of the City Documents by the City or by the JSCB on the City’s behalf have been duly authorized by all necessary corporate, administrative and legislative action and, when executed and delivered, the City Documents will constitute the valid and binding obligations of the City enforceable against the City in accordance with their terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors’ rights and subject to general principles of equity, regardless of whether such enforceability is considered in equity or in law), and compliance with the provisions of all of them, under the circumstances contemplated thereby, did not, as of the date of the Purchase Contract and do not at the Closing Date, in any material respect conflict with, or constitute on the part of the City a breach of or default under, any agreement or other instrument to which the City is a party or any existing law, administrative regulation, court order or consent decree to which the City is subject and when executed and delivered, the City Documents will be valid and binding agreements of the City.
6. The representations made by the JSCB on behalf of the City in the Purchase Contract are true and correct in all material respects at and as of the Closing Date and each of the obligations of the City under the Purchase Contract to be performed at or prior to the Closing Date have been performed.

7. The City has received all necessary approvals from the State Education Department for the design, reconstruction, rehabilitation, construction and equipping of the Series 2018A Project.
8. Except as disclosed in the Preliminary Official Statement dated February 23, 2018, with respect to the Series 2018A Bonds (the "***Preliminary Official Statement***") and the Official Statement, since March 2, 2018, no material or adverse change has occurred in the financial position or results of operations, business, or affairs of the City, and the City has not, since March 2, 2018, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement. To the best of my knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of the Closing Date.
9. No action, suit, proceeding or investigation is pending or (to the best of my knowledge) threatened against the City or (to the best of my knowledge, no independent investigation having been made) any other person in any court or before any Court, governmental authority, legislative body, board, agency or commission: (a) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds; or (b) in any way contesting or affecting the validity of the Series 2018A Bonds, or the validity or enforceability of the Purchase Contract or the other City Documents or the transactions contemplated thereby; or (c) which if determined adversely to the City, would adversely affect the financial condition of the City.
10. The City is not in breach of, or in default under, any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the City is, a party or otherwise subject, which breach or default would in any way materially and adversely affect the issuance of the Series 2018A Bonds or the intercept of state and/or school aid pursuant to the Syracuse Schools Act; and no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default; and the issuance, sale and delivery of the Series 2018A Bonds or the intercept of state and/or school aid pursuant to the Syracuse Schools Act will not conflict with or constitute a breach of or default under any agreement or other instrument to which the City is a party or otherwise subject.
11. The City has determined that the Series 2018A Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City

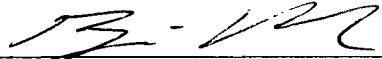
has further determined that the Series 2018A Project shall continue to be essential to such administration and to meet such needs throughout the term of the Third Amended Agreement.

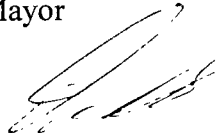
12. No event of default or event which, with notice or lapse of time or both, would constitute an event of default under any of the City Documents has occurred and is continuing.
13. The statements and information contained in the Preliminary Official Statement and the Official Statement (with the exception of statements and information under the headings, "PROGRAM PARTICIPANTS - all subheadings other than the City," "THE ISSUER," "TAX MATTERS," and "APPENDIX E —Form of Opinion of Bond Counsel") do not, as of the date of the Purchase Contract and the Closing Date, contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.
14. The City has not failed during the previous five years to comply in all material respects with any of its undertakings in previous written continuing disclosure contracts or agreements under Rule 15c2-12.

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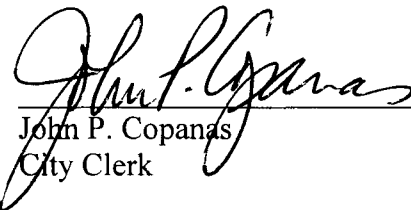
WITNESS, the 13<sup>th</sup> day of March, 2018.

**CITY OF SYRACUSE, NEW YORK**

By:   
Benjamin Walsh  
Mayor

By:   
David DeVecchio  
Commissioner of Finance

The undersigned, the City Clerk of the City of Syracuse, New York, does hereby certify that Benjamin Walsh is the duly elected Mayor of the City of Syracuse and that such person is, on and as of the date hereof, the duly elected and acting Mayor of the City of Syracuse, New York, and David DeVecchio is the duly appointed Commissioner of Finance of the City of Syracuse and that such person is, on and as of the date hereof, such duly appointed and acting Commissioner of Finance of the City of Syracuse, New York and that the signature appearing above the name of each such person is his/her genuine signature.

By:   
John P. Copanas  
City Clerk

Dated: March 13, 2018



**EXHIBIT "A"**  
**Ordinances**

**City of Syracuse**

**CITY CLERK'S OFFICE**

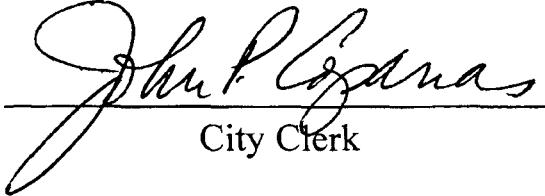
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

January 07, 2008

Approved by the Mayor on

January 10, 2008

  
\_\_\_\_\_  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Community Development Comm.  
Community Services  
Corporation Counsel  
Development Director  
Department of Engineering  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
New York State Assembly person

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
United States Congressperson  
Finance Commissioner  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Onondaga County Legislature

**ORDINANCE APPROVING THE PLANS AND SPECIFICATIONS FOR THE RENOVATION OF AND ADDITION TO THE INSTITUTE OF TECHNOLOGY AT SYRACUSE CENTRAL HIGH SCHOOL AND APPROVAL TO BEGIN DESIGN OF THE OTHER JOINT SCHOOLS CONSTRUCTION BOARD (“JSCB”) PHASE I SCHOOL RENOVATION PROJECTS**

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the “JSCB”) was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the “Act”) and created through an Intermunicipal Agreement dated April 1, 2004 by and between the City of Syracuse (the “City”) and the Board of Education of the City School District of the City of Syracuse (the “School District”); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the “Project”); and

WHEREAS, Phase I of the Project shall consist of renovations and reconstruction to seven (7) specific City schools, namely: Central High School, Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School, and Fowler High School; and

WHEREAS, §7 of the aforementioned Act requires the Common Council of the City of Syracuse to approve the plans and specifications of each building project undertaken pursuant to the Act; and

WHEREAS, the Syracuse City School District (“SCSD”) has received approval by the Commissioner of Education of the State of New York of plans and specifications for the renovation of and addition to the Institute of Technology at Syracuse Central High School by letter dated December 28, 2006, which is attached hereto as Appendix “A”; and

WHEREAS, the JSCB plans to finance the design of the other six (6) school projects to be included in Phase I of the school renovation plan; and

WHEREAS, the Board of Education of the Syracuse City School District approved the plans and specifications for the renovation of and addition to the Institute of Technology at Syracuse Central High School as approved by the Commissioner of Education of the State of New York and as on file with the Clerk of the Board and the financing of the design of the other six (6) school projects by Resolution #1207-96, adopted on December 12, 2007; NOW, THEREFORE,

BE IT ORDAINED, that this Common Council hereby approves the plans and specifications for the renovation of and addition to the Institute of Technology at Syracuse Central High School, as detailed in the plans and specifications dated March 12, 2007 filed with the City Clerk at a total cost not to exceed \$35,996,800.00 as detailed in the JSCB Financial Plan submitted to the Office of the Comptroller in accordance with the Act; and

BE IT FURTHER ORDAINED, that this Common Council hereby approves the JSCB’s plan to create plans and specifications for the other six (6) JSCB Phase I school renovation projects (Blodgett School, Dr. Weeks Elementary School, Clary Middle School,

Shea Middle School, H. W. Smith Elementary School, and Fowler High School ); and

BE IT FURTHER ORDAINED, that the City Engineer, pursuant to the authority granted by §5-701(2) and §5-703 of the City Charter, be and hereby is authorized to make adjustments and revisions to the plans and specifications for the renovation of and addition to the Institute of Technology at Syracuse Central High School in order to conform the plans and specifications to the available funds authorized for the project by the JSCB, subject to all necessary approvals of the State Education Department (“SED”) and the Office of the State Comptroller (“OSC”).

Appendix "A"

**The University of the State of New York  
THE STATE EDUCATION DEPARTMENT  
Office of Facilities and Management Services  
Room 1060 EBA  
Albany, NY 12234**

# **BUILDING PERMIT**

**ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:**

**PERMIT NO.: 05-0071                      DATE ISSUED: 12/28/06**

**DISTRICT:                      Syracuse City School District**

**BUILDING:                      Central Tech Voc Ctr**

**ADDRESS:                      258 E. Adams Street  
   Syracuse, N.Y. 13210**

**(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)**

Mr. Stephen C. Jones  
 Superintendent  
 Syracuse City School District  
 725 Harrison Street  
 Syracuse, N.Y. 13210

February 6, 2007

### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Central Tech Voc Ctr

**Facilities Planning Project Control Number**

|                    |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0             | 0 | 0 | 1 | 0           | 1 | 2 | 5 | 0             | 0 | 7 | 0 | 5             | 0 | 0 | 7 | 1 | 1 | 2 | 2 | 8 | 0 | 6 |
| District BEDS Code |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |   |   |

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

**During Construction** - Supervision by the architect or engineer (A/E) during construction is required by Subdivision 3 of Section 7209 of the Education Law and includes ensuring that construction work is in accordance with the construction contract documents. Detailed Supervision Guidelines describing the elements of this on-site supervision were sent to the district previously together with the letter acknowledging the original letter of intent.

**Construction Inspections** - Section 444.3(d) of 19NYCRR444 mandates construction inspections at such times as will permit the observation of the foundation, structural elements, electrical systems, plumbing systems, heating, ventilation and air conditioning systems, fire protection and detection systems and exit features. The purpose of such inspections is to ensure work in accordance with the

construction contract documents and compliance with applicable provisions of the Uniform Fire Prevention and Building Code. Therefore, it is incumbent on the A/E to make such periodic observations as are necessary for the A/E to execute the Certification of Substantial Completion Form (see below).

To assist in developing essential records of the construction inspection activities, two different forms are attached: #1, a Capital Project Inspection Report for each individual inspection (reproduce necessary additional copies) and #2, a Capital Project Summary of Inspections. These forms (or something essentially equivalent) shall be delivered by the A/E to the school district at the time of Substantial Completion and shall be retained by the district as part of the official project record, available for review by the Commissioner on request.

**Certification of Substantial Completion** - When the construction work is nearing completion, the Architect/Engineer (A/E) (who is supervising the construction work pursuant to the provisions of Subdivision 3 of Section 7209 of the Education Law) must execute a "Certification of Substantial Completion", form FP-CSC, when it is appropriate to do so. A copy of the form is enclosed. Carefully retain it for future use.

Note that "Substantial Completion" is a specific condition at a specific time. Definitions of the American Institute of Architects (AIA), The National Society of Professional Engineers, The American Consulting Engineers Council, and the Construction Specification Institute are essentially the same. The AIA definition is, "The date of substantial completion of work or designated portion thereof is the date certified by the architect when construction is sufficiently complete, in accordance with the contract documents, so the owner can occupy or utilize the work or designated portion thereof for the use for which it is intended."

**Assurances** - Various assurances are printed on the reverse side of Form FP-CSC. The A/E shall sign those assurances relating to change orders; supervision pursuant to Education Law, Section 7209 and the contract with the school district; and construction inspections pursuant to 19NYCRR444.

The Superintendent of Schools shall sign those assurances relating to proper monitoring of the project by a Construction Manager (if any); and a Clerk of the Works (if any) pursuant to contracts with the school district, (the usual duties of a Construction Manager and Clerk of the Works are included in the detailed Supervision Guidelines referenced above); and (if applicable) acknowledgement of the need of a Certificate of Occupancy prior to occupancy of any new building or addition (if applicable). In the case of reconstruction projects, form FP-CSC should not be submitted until all of the project is substantially complete i.e., there should be no qualifications on the form. In the case of a new building or an addition, where parts of a project may be occupied initially, the certification must designate which portions of the project are not included. Subsequently occupied portions shall be certified when substantially complete. An additional form will be sent for a subsequently occupied portion, upon receipt of a form for the portion to be occupied.

**Fire Safety Inspection and Report** - A fire safety inspection and report thereof is required for new buildings and additions. Immediately subsequent to the determination by the A/E that the work is substantially complete for the use of which it is intended, the school district shall cause a fire/safety inspection to be made of the whole occupied portion of the building. This inspection shall use the Fire/Safety Report form stamped "Building Project". This form is not included with this mailing. The form is available on the Office of Facilities Planning web site: [www.emisd.nysed.gov/facplan/](http://www.emisd.nysed.gov/facplan/) under Fire Safety, C of O, O&M and titled "2001 Public School Fire Safety Report (for NEW Building



projects only". Complete the entire front page including the appropriate school code and building number (section labeled "department use only"). If you have questions about completing this form please call the Fire/Safety Unit at (518) 474-4738. Carefully retain it until needed at the time of substantial completion. See "Occupancy", below.

**Occupancy** - No building or portion thereof shall be occupied unless a valid Certificate of Occupancy (CO) has been issued by the Commissioner (Commissioner's Regulation 155.4e). To obtain a CO, send both the Certification of Substantial Completion (form FP-CSC) and the Fire/Safety Report form, together, to Facilities Planning, not to the Fire Safety Unit. Upon submission of a satisfactory Fire/Safety Report, a Certificate of Occupancy will be issued which will "bridge" to the date of the regular annual fire/safety inspection process. In the case of occupancy of an addition, if the "Building Project" Fire Safety Report and the annual Fire Safety Report are due at essentially the same time, contact your project manager.

**Final Building Project Report** - A Final Building Project Report is required for every project involving an instructional building or transportation facility. It is not required for other types of projects which are not eligible for building aid pursuant to Section 3602 of the Education Law.

For projects eligible for building aid, a copy of the report form is enclosed. Carefully retain it for your future use. All sources of funds and expenditures, regardless of cost, shall be reported, however, the report must not be filed until all bills are paid and the capital account has been closed.

Record the Project Control Number on the top of the form and return it directly to the Bureau soon after the construction work is complete and paid for.

If this project involves both additions and alterations, expenses must be submitted under each of these categories. Building aid eligibility, as determined pursuant to Section 3602 of the Education Law, is calculated separately for additions and for alterations. Careful attention to submitting the report with proper breakdown will eliminate much delay and confusion in processing building aid applications and will assure that the district receives proper allocation of building aid.

Sincerely,



Richard P. Mills  
Commissioner of Education

The University of the State of New York  
**THE STATE EDUCATION DEPARTMENT**  
 Office of Facilities and Management Services  
 Albany, New York 12234

**BOND CERTIFICATE**

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District  
 County of District: Onondaga  
 Name of Building: Central Tech Voc Ctr

**Facilities Planning Project Control Number**

|                    |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |               |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---------------|---|---|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0             | 1 | 0 | 1 | 2           | 5 | 0 | 0 | 7             | 0 | 5 | 0             | 0 | 7 | 1 | 1 | 2 | 2 | 8 | 0 | 6 |
| District BEDS Code |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   | Approval Date |   |   |   |   |   |   |   |   |   |

PLEASE USE THIS NUMBER in all  
 correspondence to the State Education  
 Department concerning this project.

*Richard P. Mills*  
 Commissioner of Education

**The University of the State of New York  
THE STATE EDUCATION DEPARTMENT  
Office of Facilities and Management Services  
Room 1060 EBA  
Albany, NY 12234**

**BUILDING PERMIT**

**ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:**

**PERMIT NO.:** 05-0015      **DATE ISSUED:** 12/28/06

**DISTRICT:** Syracuse City School District

**BUILDING:** Central Tech Voc Ctr

**ADDRESS:** 258 E. Adams Street  
Syracuse, N.Y. 13210

**(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)**

Mr. Stephen C. Jones  
 Superintendent  
 Syracuse City School District  
 725 Harrison Street  
 Syracuse, N.Y. 13210

January 26, 2007

### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Central Tech Voc Ctr

Facilities Planning Project Control Number

|                    |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|
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| District BEDS Code |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

**During Construction - Supervision by the architect or engineer (A/E) during construction is required by Subdivision 3 of Section 7209 of the Education Law and includes ensuring that construction work is in accordance with the construction contract documents. Detailed Supervision Guidelines describing the elements of this on-site supervision were sent to the district previously together with the letter acknowledging the original letter of intent.**

**Construction Inspections - Section 444.3(d) of 19NYCRR444 mandates construction inspections at such times as will permit the observation of the foundation, structural elements, electrical systems, plumbing systems, heating, ventilation and air conditioning systems, fire protection and detection systems and exit features. The purpose of such inspections is to ensure work in accordance with the**

construction contract documents and compliance with applicable provisions of the Uniform Fire Prevention and Building Code. Therefore, it is incumbent on the A/E to make such periodic observations as are necessary for the A/E to execute the Certification of Substantial Completion Form (see below).

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Sincerely,



Richard P. Mills  
Commissioner of Education

The University of the State of New York  
**THE STATE EDUCATION DEPARTMENT**  
 Office of Facilities and Management Services  
 Albany, New York 12234

### BOND CERTIFICATE

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District

County of District: Onondaga

Name of Building: Central Tech Voc Ctr

**Facilities Planning Project Control Number**

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 1 | 2 | 5           | 0 | 0 | 6 | 0             | 5 | 0 | 0 | 1             | 5 | 1 | 2 | 2 | 8 | 0 | 6 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

PLEASE USE THIS NUMBER in all  
 correspondence to the State Education  
 Department concerning this project.

  
 Commissioner of Education

**City of Syracuse**

**CITY CLERK'S OFFICE**

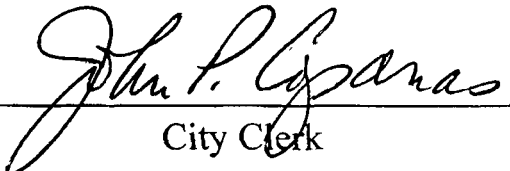
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

February 25, 2008

Approved by the Mayor on

February 27, 2008

  
\_\_\_\_\_  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Community Development Comm.  
Community Services  
Corporation Counsel  
Development Director  
Department of Engineering  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
New York State Assembly person

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
United States Congressperson  
Finance Commissioner  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Onondaga County Legislature



**ORDINANCE AUTHORIZING THE  
TRANSACTIONS AND EXECUTION AND  
DELIVERY OF CERTAIN DOCUMENTS  
CONTEMPLATED IN CONNECTION WITH THE  
ISSUANCE OF THE SIDA SCHOOL FACILITY  
REVENUE BONDS (SYRACUSE CITY SCHOOL  
DISTRICT PROJECT - SERIES 2008 PROJECT)  
AT THE REQUEST OF THE JSCB TO FINANCE A  
PORTION OF THE COSTS OF THE SYRACUSE  
SCHOOLS RECONSTRUCTION PROJECT**

**WHEREAS**, the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant Chapter 58 A-4 of the Laws of 2006 (the “*Act*”) of the State of New York (the “*State*”) and an agreement dated April 1, 2004 by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

**WHEREAS**, pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the “*Plan*”) to the Office of the Comptroller of the State of New York (the “*OSC*”); and

**WHEREAS**, by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and

**WHEREAS**, the JSCB, pursuant to §6 of the Act, adopted a Comprehensive Plan, which includes the aforementioned Plan, for Phase 1 of the Syracuse Schools Reconstruction Project on February 14, 2008 (the “*Program*”); and

**WHEREAS**, the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial rehabilitation and reconstruction of seven existing public school buildings of the

School District (the "*Series 2008 Project*") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("*SIDA*") in the principal amount of up to \$180,000,000 (the "*Bonds*"); and

**WHEREAS**, the Series 2008 Project is expected to be undertaken in two stages; and

**WHEREAS**, pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in an aggregate principal amount of up to \$47,290,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "*Central Tech Project*") and the design ("*Design Phase*") of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

**WHEREAS**, by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and

**WHEREAS**, by Resolution No. 0208-133 adopted on February 13, 2008, the School District approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the SIDA School Facility Revenue Bonds to finance the costs of the first stage of Phase 1 of the Syracuse Schools Reconstruction Project; and

**WHEREAS**, pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the

School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the "*Program Manager Agreement*"), with Gilbane Building Company (a copy of which is attached hereto as Exhibit "A"); and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "*SEQRA*"), the JSCB, as "lead agency," classified the Central Tech Project as a "Type 1 Action" and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a "significant effect on the environment" (as such quoted terms are defined in *SEQRA*); and

**WHEREAS**, the City classified the Design Phase as a "Type II Action" under *SEQRA*; and

**WHEREAS**, pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (substantially on the terms and in the form of the proposed License Agreement (Series 2008 Project) attached hereto as Exhibit "B") (the "*License*") to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the "*Buildings*") for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (substantially in the form of the proposed Bill of Sale attached hereto as Exhibit "C") (the "*Bill of Sale*") conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2008 Project (the "*Equipment*" and with the Buildings, the "*Facilities*"), to be financed with proceeds of the Bonds; and

**WHEREAS**, SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit "D") (the "*Indenture*") with Manufacturers and Traders Trust

Company, as trustee (the "*Trustee*"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (except for the Agency's Reserved Rights (as defined in the Indenture)), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

**WHEREAS**, SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit "E") (the "*Installment Sale Agreement*"), pursuant to which SIDA will sell its interest in the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the State Aid Trust Agreement); and

**WHEREAS**, the City and the School District will enter into a State Aid Trust Agreement (substantially on the terms and in the form of the proposed State Aid Trust Agreement attached hereto as Exhibit "F") with Manufacturers and Traders Trust Company, acting as Depository Bank (the "*Depository*") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined therein); and

**WHEREAS**, pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf) shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from the City or the City School District any state and/or school aid payable to the City or the City School District to the extent of such amount so stated in such certificate as not having been made and immediately pay over same to the Agency (or the Trustee); and

**WHEREAS**, pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, DEPFA First Albany Securities LLC, as representative of the Underwriters (the "*Underwriters*"), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement (substantially in the form of the proposed preliminary official statement attached hereto as Exhibit "G") ("*Preliminary Official Statement*") and will prepare a final official statement with respect to the Series 2008A Bonds (the "*Official Statement*") for use in the offering of the Series 2008A Bonds by the Underwriters; and

**WHEREAS**, the terms and conditions of the proposed purchase of the Series 2008A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "*Bond Purchase*

*Agreement*”) to be entered into by SIDA, the JSCB, the City, the School District and the Underwriters; and

**WHEREAS**, based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency (“*MBBA*”) for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA and the JSCB; **NOW, THEREFORE**,

**BE IT ORDAINED**, that the City hereby adopts the SEQRA Findings of the JSCB and determines that the Series 2008 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of the Installment Sale Agreement.

**BE IT FURTHER ORDAINED**, in consequence of the foregoing, the City hereby determines to:

- (a) ratify the Program Manager Agreement;

(b) grant a license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2008 Project pursuant to the License Agreement and sell to SIDA all Equipment necessary or attendant to the Series 2008 Project pursuant to the Bill of Sale, each substantially in the form attached hereto, with such amendments or modifications as the Mayor and/or the City's Commissioner of Finance (referred to hereinafter individually and collectively as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;

(c) sell its interest in the Facilities to SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;

(d) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(e) approve the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(g) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech

Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;

(h) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the "*Tax Compliance Certificate*"), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "*Continuing Disclosure Agreement*") in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(k) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;

(l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond



Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "*Financing Documents*").

**BE IT FURTHER ORDAINED**, pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and

**BE IT FURTHER ORDAINED**, upon a determination by an Authorized Officer and by SIDA, the JSCB and the School District that financing the Central Tech Project and Design Phase by the Series 2008A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and

**BE IT FURTHER ORDAINED**, the City hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the City of the final Official Statement, and (C)

the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2008A Bonds; and

**BE IT FURTHER ORDAINED**, in addition to the authority hereinabove granted, the Authorized Officer of the City is hereby authorized and directed, for and in the name and on behalf of the City, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to this Ordinance, as he determines may be necessary or desirable to consummate the transactions contemplated by this Ordinance, the Financing Documents and the other documents referred to above; and

**BE IT FURTHER ORDAINED**, no covenant, stipulation, obligation or agreement contained in this Ordinance or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the City in his or her individual capacity. Neither the officials, directors, members, officers or employees of the City, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the City, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and

**BE IT FURTHER ORDAINED**, that the School District's Resolution No. 0208-133 approving the JSCB finance documents is attached hereto and made a part of this Ordinance; and

**BE IT FURTHER ORDAINED**, this Ordinance shall take effect immediately.

**EXHIBITS A-H TO ORDINANCE 55-08 –  
ON FILE WITH THE CITY CLERK, CITY OF SYRACUSE**

**City of Syracuse**

**CITY CLERK'S OFFICE**


I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

March 10, 2008

Approved by the Mayor on

March 10, 2008

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Community Development Comm.  
Community Services  
Corporation Counsel  
Development Director  
Department of Engineering  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
New York State Assembly person

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
United States Congressperson  
Finance Commissioner  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Onondaga County Legislature

**ORDINANCE AMENDING ORDINANCE NO. 55-08  
AUTHORIZING THE TRANSACTIONS AND  
EXECUTION AND DELIVERY OF CERTAIN  
DOCUMENTS CONTEMPLATED IN CONNECTION  
WITH THE ISSUANCE OF THE SIDA SCHOOL  
FACILITY REVENUE BONDS (SYRACUSE CITY  
SCHOOL DISTRICT PROJECT - SERIES 2008  
PROJECT) AT THE REQUEST OF THE JSCB TO  
FINANCE A PORTION OF THE COSTS OF THE  
SYRACUSE SCHOOLS RECONSTRUCTION PROJECT  
TO INCREASE THE PAR AMOUNT DUE TO MARKET  
CONDITIONS**

BE IT ORDAINED, that Ordinance No. 55-08 is hereby amended as follows:

**WHEREAS,** the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant Chapter 58 A-4 of the Laws of 2006 (the “*Act*”) of the State of New York (the “*State*”) and an agreement dated April 1, 2004 by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

**WHEREAS,** pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the “*Plan*”) to the Office of the Comptroller of the State of New York (the “*OSC*”); and

**WHEREAS,** by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and

**WHEREAS,** the JSCB, pursuant to §6 of the Act, adopted a Comprehensive Plan, which includes the aforementioned Plan, for Phase 1 of the Syracuse Schools Reconstruction Project on February 14, 2008 (the “*Program*”); and

**WHEREAS,** the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial

rehabilitation and reconstruction of seven existing public school buildings of the School District (the “*Series 2008 Project*”) and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency (“*SIDA*”) in the principal amount of up to \$180,000,000 (the “*Bonds*”); and

**WHEREAS**, the Series 2008 Project is expected to be undertaken in two stages; and

**WHEREAS**, the JSCB’s underwriter, DEPFA First Albany Securities LLC, has recommended that the original par amount of \$47,290,000 set forth in Ordinance No. 55-08, be increased to \$49,750,000 to take into account current market conditions; and

**WHEREAS**, pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in an aggregate principal amount of up to \$49,750,000 (the “*Series 2008A Bonds*”) to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the “*Central Tech Project*”) and the design (“*Design Phase*”) of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

**WHEREAS**, by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and

**WHEREAS**, by Resolution No. 0208-133 adopted on February 13, 2008, the School District

approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the SIDA School Facility Revenue Bonds to finance the costs of the first stage of Phase 1 of the Syracuse Schools Reconstruction Project; and

**WHEREAS**, pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the "*Program Manager Agreement*"), with Gilbane Building Company (a copy of which is attached hereto as Exhibit "A"); and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "*SEQRA*"), the JSCB, as "lead agency," classified the Central Tech Project as a "Type 1 Action" and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

**WHEREAS**, the City classified the Design Phase as a "Type II Action" under SEQRA; and

**WHEREAS**, pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (substantially on the terms and in the form of the proposed License Agreement (Series 2008 Project) attached hereto as Exhibit "B") (the "*License*") to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the "*Buildings*") for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (substantially in the form of the proposed Bill of Sale attached hereto as Exhibit "C") (the "*Bill of Sale*") conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2008 Project (the "*Equipment*" and with the Buildings, the "*Facilities*"), to be financed with proceeds of the Bonds; and

**WHEREAS**, SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit “D”) (the “*Indenture*”) with Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (except for the Agency’s Reserved Rights (as defined in the Indenture)), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

**WHEREAS**, SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit “E”) (the “*Installment Sale Agreement*”), pursuant to which SIDA will sell its interest in the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the State Aid Trust Agreement); and

**WHEREAS**, the City and the School District will enter into a State Aid Trust Agreement (substantially on the terms and in the form of the proposed State Aid Trust Agreement attached hereto as Exhibit “F”) with Manufacturers and Traders Trust Company, acting as Depository Bank (the “*Depository*”) and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A



Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined therein); and

**WHEREAS**, pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf) shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from the City or the City School District any state and/or school aid payable to the City or the City School District to the extent of such amount so stated in such certificate as not having been made and immediately pay over same to the Agency (or the Trustee); and

**WHEREAS**, pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, DEPFA First Albany Securities LLC, as representative of the Underwriters (the "*Underwriters*"), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement (substantially in the form of the proposed preliminary official statement attached hereto as Exhibit "G") ("*Preliminary Official Statement*") and will prepare a final official statement with respect to the Series 2008A Bonds (the "*Official Statement*") for use in the offering of the Series 2008A Bonds by the Underwriters; and

**WHEREAS**, the terms and conditions of the proposed purchase of the Series 2008A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the “*Bond Purchase Agreement*”) to be entered into by SIDA, the JSCB, the City, the School District and the Underwriters; and

**WHEREAS**, based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency (“*MBBA*”) for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA and the JSCB; **NOW, THEREFORE**,

**BE IT ORDAINED**, that the City hereby adopts the SEQRA Findings of the JSCB and determines that the Series 2008 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of the Installment Sale Agreement.

**BE IT FURTHER ORDAINED**, in consequence of the foregoing, the City hereby determines

to:

- (a) ratify the Program Manager Agreement;
- (b) grant a license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2008 Project pursuant to the License Agreement and sell to SIDA all Equipment necessary or attendant to the Series 2008 Project pursuant to the Bill of Sale, each substantially in the form attached hereto, with such amendments or modifications as the Mayor and/or the City's Commissioner of Finance (referred to hereinafter individually and collectively as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;
- (c) sell its interest in the Facilities to SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
- (d) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (e) approve the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of

Finance of the City;

(g) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;

(h) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the "*Tax Compliance Certificate*"), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "*Continuing Disclosure Agreement*") in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(k) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;

(l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the “*Financing Documents*”).

**BE IT FURTHER ORDAINED**, pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and

**BE IT FURTHER ORDAINED**, upon a determination by an Authorized Officer and by SIDA, the JSCB and the School District that financing the Central Tech Project and Design Phase by the Series

2008A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and

**BE IT FURTHER ORDAINED**, the City hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the City of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2008A Bonds; and

**BE IT FURTHER ORDAINED**, in addition to the authority hereinabove granted, the Authorized Officer of the City is hereby authorized and directed, for and in the name and on behalf of the City, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to this Ordinance, as he determines may be necessary or desirable to consummate the transactions contemplated by this Ordinance, the Financing Documents and the other documents referred to above; and

**BE IT FURTHER ORDAINED**, no covenant, stipulation, obligation or agreement contained in this Ordinance or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the City in his or her individual capacity. Neither the officials, directors, members, officers or employees of the City, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the City, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and

**BE IT FURTHER ORDAINED**, that the School District's Resolution No. 0208-133 approving the JSCB finance documents is attached hereto and made a part of this Ordinance; and

**BE IT FURTHER ORDAINED**, that all other terms and conditions set forth in Ordinance No. 55-08 and the attachments which were attached as Exhibits A through G are hereby ratified and remain in full force and effect except as specifically amended herein.

**BE IT FURTHER ORDAINED**, this Ordinance shall take effect immediately.

\* \_\_\_\_\_ = new material

**City of Syracuse**

**CITY CLERK'S OFFICE**

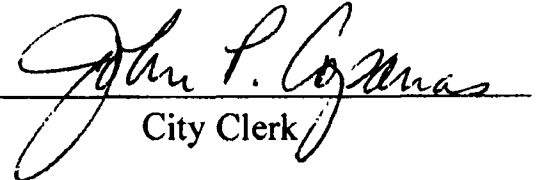
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

September 13, 2010

Approved by the Mayor on

September 14, 2010

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education



**ORDINANCE APPROVING THE PLANS AND SPECIFICATIONS FOR THE CENTRAL HIGH SCHOOL (ITC) PROJECT AS PART OF THE JOINT SCHOOL CONSTRUCTION BOARD (“JSCB”) PHASE I SCHOOL RENOVATION PROJECTS**

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the “JSCB”) was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the “Act”) and created through an Intermunicipal Agreement dated April 1, 2004 by and between the City of Syracuse (the “City”) and the Board of Education of the City School District of the City of Syracuse (the “School District”); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the “Project”); and

WHEREAS, Phase I of the Project shall consist of renovations and reconstruction to six (6) specific City schools, namely: Central High School (ITC), Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith K-8 School, and Fowler High School; and

WHEREAS, §7 of the aforementioned Act requires the Common Council of the City of Syracuse and the Board of Education of the Syracuse City School District to approve the plans and specifications of each building project undertaken pursuant to the Act; and

WHEREAS, the Board of Education of the Syracuse City School District approved the plans and specifications for the Central High School (ITC) Project (SED Nos. 42-18-00-01-0-125-003, 42-18-00-01-0-125-009, 42-18-00-01-0-125-010 and 42-18-00-01-7-999-009) as on file with the Clerk of the Board by Resolution No. 0810-61-SM adopted on August 26, 2010; and

WHEREAS, the City Engineer has reviewed the aforementioned plans and specifications, prepared by SEI Design Group under contract with the JSCB, for the Central High School (ITC) Project and such plans and specifications are on file with the Department of Engineering for review by the Common Council; NOW, THEREFORE,

BE IT ORDAINED, that this Common Council hereby approves the aforementioned plans and specifications (SED Nos. 42-18-00-01-0-125-008, 42-18-00-01-0-125-009, 42-18-00-01-0-125-010 and 42-18-00-01-7-999-009) for the Central High School (ITC) Project, as detailed in the plans and specifications filed with the City Engineer at a total cost not to exceed \$29,121,912 as detailed in the JSCB 2009 Financial Plan submitted to the Office of the Comptroller in accordance with the Act; and

BE IT FURTHER ORDAINED, that the City Engineer, pursuant to the authority granted by §5-701(2) and §5-703 of the City Charter, be and hereby is authorized to make adjustments and revisions to the plans and specifications for the Central High School (ITC) Project in order to conform the plans and specifications to the available funds authorized for the project by the JSCB, subject to all necessary approvals of the State Education Department (“SED”) and the Office of the State Comptroller (“OSC”).

**City of Syracuse**

**CITY CLERK'S OFFICE**

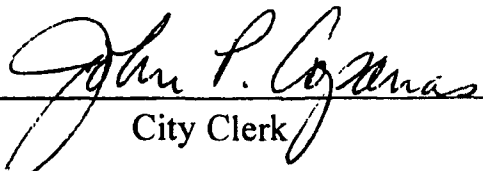
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

September 13, 2010

Approved by the Mayor on

September 14, 2010

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education

**ORDINANCE APPROVING THE PLANS AND SPECIFICATIONS FOR THE FOWLER HIGH SCHOOL PROJECT AS PART OF THE JOINT SCHOOL CONSTRUCTION BOARD (“JSCB”) PHASE I SCHOOL RENOVATION PROJECTS**

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the “JSCB”) was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the “Act”) and created through an Intermunicipal Agreement dated April 1, 2004 by and between the City of Syracuse (the “City”) and the Board of Education of the City School District of the City of Syracuse (the “School District”); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the “Project”); and

WHEREAS, Phase I of the Project shall consist of renovations and reconstruction to six (6) specific City schools, namely: Central High School (ITC), Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith K-8 School, and Fowler High School; and

WHEREAS, §7 of the aforementioned Act requires the Common Council of the City of Syracuse and the Board of Education of the Syracuse City School District to approve the plans and specifications of each building project undertaken pursuant to the Act; and

WHEREAS, the Board of Education of the Syracuse City School District approved the plans and specifications for the Fowler High School Project (SED Nos. 42-18-00-01-0-122-026, 42-18-00-01-0-122-027 and 42-18-00-01-7-999-009) as on file with the Clerk of the Board by Resolution No. 0810-59-SM adopted on August 26, 2010; and

WHEREAS, the City Engineer has reviewed the aforementioned plans and specifications, prepared by Spina-Collins-Scoville under contract with the JSCB, for the Fowler High School Project and such plans and specifications are on file with the Department of Engineering for review by the Common Council; NOW, THEREFORE,

BE IT ORDAINED, that this Common Council hereby approves the aforementioned plans and specifications (SED Nos. 42-18-00-01-0-122-026, 42-18-00-01-0-122-027 and 42-18-00-01-7-999-009) for the Fowler High School Project, as detailed in the plans and specifications filed with the City Engineer at a total cost not to exceed \$48,382,974 as detailed in the JSCB 2009 Financial Plan submitted to the Office of the Comptroller in accordance with the Act; and

BE IT FURTHER ORDAINED, that the City Engineer, pursuant to the authority granted by §5-701(2) and §5-703 of the City Charter, be and hereby is authorized to make adjustments and revisions to the plans and specifications for the H.W. Smith School Project in order to conform the plans and specifications to the available funds authorized for the project by the JSCB, subject to all necessary approvals of the State Education Department ("SED") and the Office of the State Comptroller ("OSC").

**City of Syracuse**

**CITY CLERK'S OFFICE**

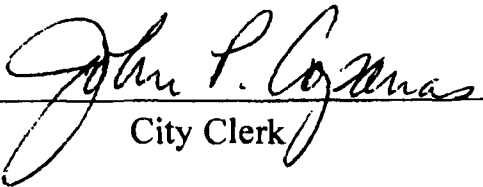
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Adopted by the Common Council on

September 13, 2010

Approved by the Mayor on

September 14, 2010

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education

**ORDINANCE APPROVING THE PLANS AND SPECIFICATIONS FOR THE HW SMITH K-8 SCHOOL PROJECT AS PART OF THE JOINT SCHOOL CONSTRUCTION BOARD (“JSCB”) PHASE I SCHOOL RENOVATION PROJECTS**

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the “JSCB”) was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the “Act”) and created through an Intermunicipal Agreement dated April 1, 2004 by and between the City of Syracuse (the “City”) and the Board of Education of the City School District of the City of Syracuse (the “School District”); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the “Project”); and

WHEREAS, Phase I of the Project shall consist of renovations and reconstruction to six (6) specific City schools, namely: Central High School (ITC), Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith K-8 School, and Fowler High School; and

WHEREAS, §7 of the aforementioned Act requires the Common Council of the City of Syracuse and the Board of Education of the Syracuse City School District to approve the plans and specifications of each building project undertaken pursuant to the Act; and

WHEREAS, the Board of Education of the Syracuse City School District approved the plans and specifications for the HW Smith K-8 School Project (SED Nos. 42-18-00-01-0-109-008, 42-18-00-01-0-109-010 and 42-18-00-01-7-999-009) as on file with the Clerk of the Board by Resolution No. 0810-60-SM adopted on August 26, 2010; and

WHEREAS, the City Engineer has reviewed the aforementioned plans and specifications, prepared by SEI Design Group under contract with the JSCB, for the H.W. Smith K-8 School Project and such plans and specifications are on file with the Department of Engineering for review by the Common Council; NOW, THEREFORE,

BE IT ORDAINED, that this Common Council hereby approves the aforementioned plans and specifications (SED Nos. 42-18-00-01-0-109-008, 42-18-00-01-0-109-010 and 42-18-00-01-7-999-009) for the H.W. Smith K-8 School Project, as detailed in the plans and specifications filed with the City Engineer at a total cost not to exceed \$26,132,869 as detailed in the JSCB 2009 Financial Plan submitted to the Office of the Comptroller in accordance with the Act; and

BE IT FURTHER ORDAINED, that the City Engineer, pursuant to the authority granted by §5-701(2) and §5-703 of the City Charter, be and hereby is authorized to make adjustments and revisions to the plans and specifications for the H.W. Smith School Project in order to conform the plans and specifications to the available funds authorized for the project by the JSCB, subject to all necessary approvals of the State Education Department ("SED") and the Office of the State Comptroller ("OSC").



**City of Syracuse**

**CITY CLERK'S OFFICE**

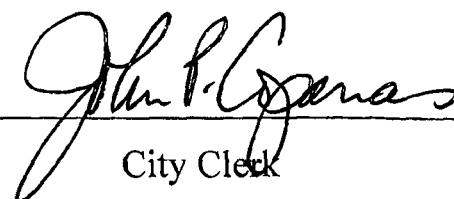
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

February 6, 2017

Signed by the Mayor on

February 8, 2017

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education

**ORDINANCE OF THE CITY OF SYRACUSE  
AUTHORIZING THE ISSUANCE AND SALE BY  
THE CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY OF ITS REVENUE  
REFUNDING BONDS IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED  
\$53,000,000**

WHEREAS, the Joint Schools Construction Board of the City and the City School District (the "JSCB"), on behalf of the City of Syracuse (the "City") and the Syracuse City School District (the "School District), previously requested, and the Syracuse Industrial Development Agency ("SIDA") did issue and sell its revenue bonds in an aggregate principal amount of \$49,230,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of a project (the "Series 2008 Project") consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building and the design of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

WHEREAS, pursuant to the Act, the JSCB, on behalf of the City and the School District, previously requested and SIDA did issue and sell its revenue bonds in an aggregate principal amount not to exceed \$75,000,000 (the "*Series 2010 Bonds*") to finance all or a portion of the costs of the second phase of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School and additions thereto,

including the approximate 45 thousand square foot addition to Fowler High School, and the acquisition and installation of certain equipment, fixtures and furnishings necessary and attendant to the use of the buildings as schools by the City and the SCSD; and

WHEREAS, interest rates available in the national capital markets are below the rates on certain maturities of the Series 2008A Bonds and Series 2010 Bonds and the School District would like to realize the savings associated with refunding all or a portion of the Series 2008A Bonds and Series 2010 Bonds (the Series 2008A Bonds and Series 2010 Bonds are collectively referred to herein as the "Refunded Bonds"); and

WHEREAS, the JSCB, on behalf of the City and the School District, has requested that SIDA issue and sell its revenue refunding bonds in an aggregate principal amount not to exceed \$53,000,000 (the "*Series 2017 Bonds*") to refund all or a portion of the Refunded Bonds, pay costs of issuing the Series 2017 Bonds and funding a debt service reserve for the Series 2017 Bonds; and

WHEREAS, Raymond James & Associates, Inc., (the "*Underwriter*") has offered to purchase the Series 2017 Bonds and will prepare a preliminary official statement and a final official statement with respect to the Series 2017 Bonds (the "*Official Statement*") for use in the offering of the Series 2017 Bonds by the Underwriter; and

WHEREAS, the terms and conditions of the proposed purchase of the Series 2017 Bonds by the Underwriter will be set forth in a Bond Purchase Agreement (the "*Bond Purchase Agreement*") to be entered into by SIDA, the City, the School District and the Underwriter;

NOW, THEREFORE, BE IT ORDAINED, by the Common Council of the City of Syracuse as follows:

Section 1. The issuance of the Series 2017 Bonds by SIDA is hereby approved.

Section 2. In consequence of the foregoing, the Common Council hereby:

- (A) approves the execution and delivery of amendments to the financing documents executed in connection with the issuance of the Refunded Bonds as required to effect the refunding of all or a portion of the Refunded Bonds and the execution and delivery of all new documents required in connection with the issuance of the Series 2017 Bonds, with such amendments or modifications as the Commissioner of Finance of the City (referred to hereinafter as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;
- (B) approves the issuance of the Series 2017 Bonds in accordance with an indenture or supplemental indenture prepared in for the Series 2017 Bonds, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
- (C) approves all other certificates and documents required in connection with the issuance and sale of the Series 2017 Bonds and any other documents as may be required by Bond Counsel or the Underwriter or otherwise required to accomplish the refunding of all or a portion of the Refunded Bonds and qualify the interest on the Series 2017 Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, the "*Financing Documents*");
- (D) approves the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel.
- (E) use the proceeds of the Series 2017 Bonds to accomplish the refunding of all or a portion of the Refunded Bonds, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Financing Documents.

Section 3. The Common Council hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter, (B) the execution and delivery by the Authorized Officer of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriter in the offering of the Series 2017 Bonds.

Section 4. In addition to the authority hereinabove granted, the Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the Financing Documents, as he determines may be necessary or desirable to consummate the transactions contemplated by this Ordinance, the Financing Documents and the other documents referred to above.

Section 5. No covenant, stipulation, obligation or agreement contained in this Ordinance or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the City in his or her individual capacity. The officials, directors, members, officers or employees of the City, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the City, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

Section 6. This ordinance shall take effect immediately.

**City of Syracuse**

**CITY CLERK'S OFFICE**

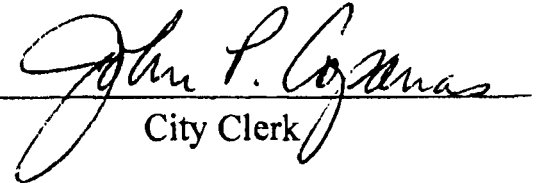
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

September 13, 2010

Approved by the Mayor on

September 14, 2010

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education

**ORDINANCE APPROVING THE PLANS AND SPECIFICATIONS FOR THE DR. WEEKS ELEMENTARY SCHOOL PROJECT AS PART OF THE JOINT SCHOOLS CONSTRUCTION BOARD ("JSCB") PHASE I SCHOOL RENOVATION PROJECTS**

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an Intermunicipal Agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and

WHEREAS, Phase I of the Project shall consist of renovations and reconstruction to six (6) specific City schools, namely: Central High School (ITC), Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith K-8 School, and Fowler High School; and

WHEREAS, §7 of the aforementioned Act requires the Common Council of the City of Syracuse and the Board of Education of the Syracuse City School District to approve the plans and specifications of each building project undertaken pursuant to the Act; and

WHEREAS, the Board of Education of the Syracuse City School District approved the plans and specifications for the Dr. Weeks Elementary School Project (SED Nos. 42-18 -00-01-0-05 )-007, 42-18-00-01-0-050-008 and 42-18-00-01-7-999-009) as on file with the Clerk of the Board by Resolution No. 0810-58-SM adopted on August 26, 2010; and

WHEREAS, the City Engineer has reviewed the aforementioned plans and specifications, prepared by RSA Architects under contract with the JSCB, for the Dr. Weeks Elementary School Project and such plans and specifications are on file with the Department of Engineering for review by the Common Council; NOW, THEREFORE,

BE IT ORDAINED, that this Common Council hereby approves the aforementioned plans and specifications (SED Nos. 42-18-00-01-0-050-007, 42-18-00-01-0-050-008 and 42-18-00-01-7-999-009) for the Dr. Weeks Elementary School Project, as detailed in the plans and specifications filed with the City Engineer at a total cost not to exceed \$ 27,854,879 as detailed in the JSCB 2009 Financial Plan submitted to the Office of the Comptroller in accordance with the Act; and

BE IT FURTHER ORDAINED, that the City Engineer, pursuant to the authority granted by §5-701(2) and §5-703 of the City Charter, be and hereby is authorized to make adjustments and revisions to the plans and specifications for the Dr. Weeks Elementary School Project in order to conform the plans and specifications to the available funds authorized for the project by the JSCB, subject to all necessary approvals of the State Education Department ("SED") and the Office of the State Comptroller ("OSC").





**SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK**

**Resolution Number 0810-58-SM**

**R E S O L U T I O N**

**Dr. Weeks Elementary School  
Reconstruction  
Energy Performance Contract  
District-wide Technology**

- Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and
- Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it
- Resolved: That the Board of Education of the Syracuse City School District approve the plans and specifications for the Dr. Weeks Elementary School reconstruction. SED project numbers 42-18-00-01-0-050-007, 42-18-00-01-0-050-008 and 42-18-00-01-7-999-009 as developed by RSA Architects under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

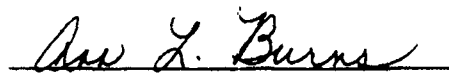
Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

*I hereby certify that the attached is a true copy of Resolution #0810-58-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a special meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*

  
Ann L. Burns  
Executive Coordinator/District Clerk  
Board of Education  
Syracuse City School District

August 27, 2010  
Date of Certification



**SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK**

**Resolution Number 0810-59-SM**

**R E S O L U T I O N**

**Fowler High School  
Addition and Alterations  
Energy Performance Contract  
District-wide Technology**

- Whereas:** the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas:** pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and
- Whereas:** §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it
- Resolved:** That the Board of Education of the Syracuse City School District approve the plans and specifications for the Fowler High School addition and alterations. SED project numbers 42-18-00-01-0-122-026, 42-18-00-01-0-122-027 and 42-18-00-01-7-999-009 as developed by RSA Architects under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

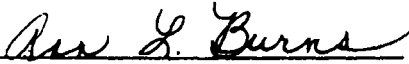
Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

*I hereby certify that the attached is a true copy of Resolution #0810-59-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a special meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*

  
Ann L. Burns  
Executive Coordinator/District Clerk  
Board of Education  
Syracuse City School District

August 27, 2010  
Date of Certification



**SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK**

**Resolution Number 0810-60-SM**

**R E S O L U T I O N**

**H.W. Smith K-8 School  
Addition and Alterations  
Energy Performance Contract  
District-wide Technology**

- Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and
- Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it
- Resolved: That the Board of Education of the Syracuse City School District approve the plans and specifications for the H.W. Smith K-8 School addition and alterations. SED project numbers 42-18-00-01-0-109-008, 42-18-00-01-0-109-010 and 42-18-00-01-7-999-009 as developed by SEI Design Group under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

*I hereby certify that the attached is a true copy of Resolution #0810-60-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a special meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*

*Ann L. Burns*  
*Ann L. Burns*  
*Executive Coordinator/District Clerk*  
*Board of Education*  
*Syracuse City School District*

*August 27, 2010*  
*Date of Certification*



**SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK**

**Resolution Number 0810-61-SM**

**RESOLUTION**

**Institute of Technology at Syracuse Central  
Addition and Alterations  
Demolition and Asbestos Removal  
Energy Performance Contract  
District-wide Technology**


Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and

Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it

- Resolved: That the Board of Education of the Syracuse City School District approve the plans and specifications for the Institute of Technology at Syracuse Central – addition and alterations. SED project numbers 42-18-00-01-0-125-008, 42-18-00-01-0-125-009, 42-18-00-01-0-125-010 and 42-18-00-01-7-999-009 as developed by Architect SEI Design Group under contract with the JSCB and as on file with the Clerk of the Board; and, be it further
- Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further
- Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further
- Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further
- Resolved: That this Resolution shall take effect immediately.

*I hereby certify that the attached is a true copy of Resolution #0810-61-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a special meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*

  
Ann L. Burns  
Executive Coordinator/District Clerk  
Board of Education  
Syracuse City School District

August 27, 2010  
Date of Certification



**City of Syracuse**

**CITY CLERK'S OFFICE**

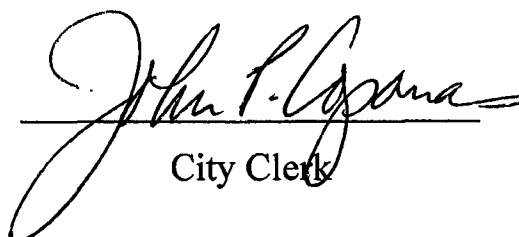
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

October 10, 2017

Signed by the Mayor on

October 16, 2017

  
\_\_\_\_\_  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Neighborhood and Business Development  
Finance Commissioner  
Corporation Counsel  
United States Congressperson  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
Onondaga County Legislature

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
Department of Engineering  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Board of Education

**ORDINANCE AUTHORIZING THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) TO ISSUE THE SERIES 2018A BONDS TO FINANCE THE TRANCHE 1A PROJECT AS SET FORTH HEREIN**

WHEREAS, the Joint Schools Construction Board of the City and the City School District (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006, as amended (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") as amended by the laws of 2013 and 2014 to conduct Phase II of the Schools Reconstruction Program; and

WHEREAS, pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a financial plan in December, 2014 as amended and revised through the date hereof (the "Plan") relating to the Joint Schools Construction Program Phase II ("Phase II") as set forth in JSCB's Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's Public Schools, as amended through the date hereof (the "Program") to the Office of the Comptroller of the State of New York (the "OSC"); and

WHEREAS, by letter dated October \_\_\_\_, 2017, OSC notified the JSCB of its approval of the Plan; and

WHEREAS, the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consisted

of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "Series 2008 Project") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$180,000,000 (the "Phase I Bonds"); and

WHEREAS, the Series 2008 Project has been completed; and

WHEREAS, the JSCB and School District now wish to authorize and undertake Projects (as defined in the Act) identified in the Program for Phase II which consist of substantial rehabilitation and reconstruction of the fourteen existing public school buildings of the School District (the "Phase II Project") and financing of the costs of the Phase II Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$300,000,000 (the "Bonds"); and

WHEREAS, pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$82,000,000 (the "Series 2018A Bonds") to finance all or a portion of the costs of the reconstruction, rehabilitation and improvement of Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (the "Buildings"), including the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium, and for all four schools, the acquisition and installation of certain equipment, fixtures and furnishings, related site work, parking improvements and landscaping (the "Equipment" and with the Buildings and additions thereto, the "Facilities" or the "Tranche IA Project") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and

WHEREAS, by letter dated September 22, 2017, the State Education Department notified

the School District of its approval of the Tranche IA Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the City's Engineering Department and the JSCB reviewed the Tranche IA Project and the JSCB determined by resolutions adopted May 25, 2017 that the work associated with each school in the Tranche IA Project were Unlisted Actions that will not have a significant adverse environmental impact and a Negative Declaration was issued for each; and

WHEREAS, pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, entered into a Program Manager Agreement dated August 28, 2015 with Turner Construction Company for Phase II of the Program, as the same may be amended or supplemented from time to time (the "Program Manager Agreement"); and

WHEREAS, SIDA, by the terms of an indenture or supplemental indenture prepared for the Series 2018A Bonds (the "Indenture") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Amendment No. 5 to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the Indenture), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2018A Bonds; and

WHEREAS, SIDA, the City, the School District and the JSCB will enter into Amendment No. 5 to the Installment Sale Agreement (Tranche IA Project) ("Amendment No. 5 to Installment Sale Agreement"), pursuant to which SIDA will sell its interest in the Tranche IA Project to the City and School District, the JSCB, on behalf of the City and School District, will

agree to undertake and complete the Tranche IA Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2018A Bonds and other amounts due under Amendment No. 4 to the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Amendment No. 5 to the Installment Sale Agreement); and

WHEREAS, the City and the School District will enter into a Third Amendment to State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "Depository") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2018A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund, if any, and the balance to the General Fund (as defined therein); and

WHEREAS, pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under Amendment No. 5 to the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

WHEREAS, pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

WHEREAS, prior to the issuance and delivery of the Series 2018A Bonds, the Underwriters (as defined herein) will undertake efforts to apply for, and purchase, if and only if cost effective, a non-cancelable financial guaranty insurance policy (the "Bond Insurance

Policy") with a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2018A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS, Raymond James & Associates, Inc., as representative of the Underwriters (the "Underwriters"), has offered to purchase the Series 2018A Bonds and will prepare a preliminary official statement and will prepare a final official statement with respect to the Series 2018A Bonds (the "Official Statement") for use in the offering of the Series 2018A Bonds by the Underwriters; and

WHEREAS, the terms and conditions of the proposed purchase of the Series 2018A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by SIDA, the City, the School District and the Underwriters; and

WHEREAS, based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("MBBA") for the Tranche IA Project and made a preliminary determination that financing the Tranche IA Project through the Series 2018A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2018A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Tranche IA Project through the Series 2018A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2018A Bonds is subject to the approval by the Board of Education of the City, the City, and the Commissioner of Education of the plans and specifications relative to the Tranche IA Project in accordance with the Act; and

WHEREAS, the issuance of the Series 2018A Bonds is subject to approval thereof by SIDA, the City and the JSCB; NOW, THEREFORE,

BE IT ORDAINED, that the City hereby determines that the Tranche IA Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of Amendment No. 5 to the Installment Sale Agreement; and

BE IT FURTHER ORDAINED, that in consequence of the foregoing, the City hereby determines to:

- (a) ratify the Program Manager Agreement, as amended, in accordance with the terms hereof;
- (b) grant or continue its license to SIDA to enter the Buildings for the purpose of undertaking and completing the Tranche IA Project pursuant to a license agreement, and sell to SIDA all Equipment necessary or attendant to the Tranche IA Project pursuant to the Bill of Sale, with such amendments or modifications as the Chair or Vice-Chair of the JSCB Board (referred to hereinafter individually and collectively as an "Authorized Officer") deems necessary under the circumstances upon advice of the Corporation Counsel;
- (c) sell its interest in the Facilities to SIDA pursuant to Amendment No. 5 to the Installment Sale Agreement, with such amendments or modifications as an

Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;

- (d) approve the issuance of the Series 2018A Bonds in accordance with the Indenture, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (e) approve the Third Amendment to the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (g) use the proceeds of the Series 2018A Bonds to accomplish the Tranche IA Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;
- (h) approve a Tax Compliance Certificate, or an amendment thereto, among SIDA, the City, the JSCB and the School District (the "Tax Compliance Certificate"), in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of



interest on the Series 2018A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

- (i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "Continuing Disclosure Agreement") in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "Environmental Compliance Agreement"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (k) obtain, if cost effective as set forth herein, a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
- (l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2018A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the Tranche IA Project and qualify the interest on the Series 2018A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the

Amendment No. 5 to the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the Third Amendment to State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the “Financing Documents”); and

BE IT FURTHER ORDAINED, that pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Tranche IA Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefore and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2018A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and

BE IT FURTHER ORDAINED, that upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Tranche IA Project by the Series 2018A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and

BE IT FURTHER ORDAINED, that the City hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the JSCB of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2018A Bonds; and

BE IT FURTHER ORDAINED, that in addition to the authority hereinabove granted, the

Mayor, Corporation Counsel, and Commissioner of Finance are hereby authorized and directed, for and in the name and on behalf of the City, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 - 5 of this Ordinance, as he or she determines may be necessary or desirable to consummate the transactions contemplated by this Ordinance, the Financing Documents and the other documents referred to above; and

BE IT FURTHER ORDAINED, that no covenant, stipulation, obligation or agreement contained in this Ordinance or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the City in his or her individual capacity. The officials, directors, members, officers or employees of the City, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the City, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and

BE IT FURTHER ORDAINED, that this Ordinance shall take effect immediately.

**CERTIFICATE OF DETERMINATION  
BY THE CITY OF SYRACUSE CHIEF FINANCIAL OFFICER  
AS TO FINANCING COST AND INTEREST RATE**

I, David Del Vecchio, Chief Financial Officer for the City of Syracuse, New York (hereinafter called the “City”), **HEREBY CERTIFY** that, pursuant to the powers and duties delegated to me, as the Chief Fiscal Officer of the City and in accordance with Chapter 58 A-4 of the 2006 Laws of the State of New York, as amended (the “Syracuse Schools Act”) and subject to the limitations prescribed therein, I have made the following determinations:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act to compare financing through the Syracuse Industrial Development Agency (“SIDA”) with financing available through the State of New York Municipal Bond Bank Agency (“MBBA”), I have caused such a comparison to be made as to the interest rate for the financing of the Syracuse Schools Reconstruction Project through the issuance by SIDA of its \$66,570,000 aggregate principal amount of School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (“Series 2018A Bonds”) against the interest rate that would have been applicable to a like purpose, bond structure, method of sale, security and amount bond issuance by the MBBA.

2. Based on such comparison, I have determined that the financing mechanism utilized by SIDA in the issuance of the Series 2018A Bonds for the Syracuse Schools Reconstruction Project results in the lowest cost to the state and city taxpayers.

3. The relevant information, as referenced above, in our possession was transmitted to a duly authorized officer of the MBBA.

4. The cost information and other financial information contained in Exhibit “A” (Certificate of Public Resources Advisory Group) annexed hereto with attached Schedules is sufficient to conclude that the interest rate related to the issuance of the Series 2018A Bonds through the SIDA would not be greater than the interest rate applicable had the Series 2018A Bonds been issued by the MBBA.

5. I attach hereto as Exhibit “B” a form of the Certificate of the Chief Operating Officer of the MBBA, stating that such Chief Operating Officer received all requested and required information from the City School District of the City of Syracuse, the City, SIDA and the Joint Schools Construction Board of the City of Syracuse and determined that the interest rate on March 1, 2018 that would have been applicable to a like purpose, bond structure, method of sale, security and amount of bond issuance by the MBBA would be approximately 3.13% on a true interest cost basis.

6. The Record of the Proceedings in this matter, with sufficient information to make the necessary determinations required by the Syracuse Schools Act, is annexed hereto collectively in Exhibits "A" and "B" as fully described above in the preceding paragraphs.

**IN WITNESS WHEREOF**, I have hereunto set my signature and the official seal of the City this 2nd day of March, 2018.



---

David Del Vecchio  
Chief Financial Officer

(SEAL)

[Signature Page to Certificate of Determination - Chief Financial Officer]

**EXHIBIT A**

**CERTIFICATE  
BY PUBLIC RESOURCES ADVISORY GROUP  
AS TO INTEREST RATE, TRUE INTEREST COST AND FISCAL ANALYSIS**

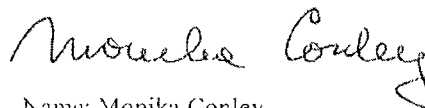
Attached Next Page.

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc. (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

Exhibit A

**\$67,265,000**

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%



**EXHIBIT B**

**FORM OF CERTIFICATE OF THE CHIEF OPERATING OFFICER OF THE STATE  
OF NEW YORK  
MUNICIPAL BOND BANK AGENCY**

Attached Next Page.

**CERTIFICATE OF DETERMINATION OF THE CHIEF OPERATING OFFICER OF  
THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY**

I, Elizabeth Mallow, Chief Operating Officer of the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY DETERMINE, pursuant to the powers and duties delegated to me and in accordance with the applicable provisions set forth in Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, as follows:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act, as of February 23, 2018, I have received all the information required by the MBBA under the Syracuse Schools Act from the City of Syracuse (the "City"), the City School District of the City of Syracuse (the "School District"), the Syracuse Industrial Development Agency (the "SIDA") and the Joint Schools Construction Board of the City of Syracuse (the "JSCB"); and have accordingly determined that the interest rate on March 1, 2018 that would have been applicable to a bond issue sold by the MBBA of similar purpose, structure, method of sale, security and amount to the SIDA's School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A would be 3.13% on a true interest cost basis, and am so certifying to the Commissioner of the New York State Department of Education.

2. In making these financial determinations, I am relying upon the Certificate made by an authorized officer of Public Resources Advisory Group, financial advisor to the MBBA, appended hereto as **Exhibit A**.

3. A copy of the information received from the School District, the City, the SIDA and the JSCB in compliance with the Syracuse Schools Act is collectively annexed hereto as **Exhibit B**.

[Signature Page to Certificate of Determination - Chief Operating Officer]

IN WITNESS WHEREOF, I have hereunto set my signature this 2nd day of March,  
2018.



---

Elizabeth Mallow  
Chief Operating Officer  
State of New York Municipal Bond Bank Agency

**EXHIBIT "A"**

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc. (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

**Exhibit A**

**\$67,265,000**

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%

**EXHIBIT "B"**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**



**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**PRE-PRICING INFORMATION**

**PRICING: MARCH 1, 2018**

**CLOSING: MARCH 15, 2018**

**RAYMOND JAMES**



## TABLE OF CONTENTS

- 1. Transaction Overview**
  - a. General Transaction Details
- 2. Marketing Overview**
  - a. Economic Calendar
  - b. Market Information
  - c. Comparable Transactions
  - d. Bond Holder Comparison
  - e. Orders of the City of Syracuse IDA, Series 2017 Issue
  - f. Pricing Workbook
  - g. Syndicate Price Views
  - h. Pre-Marketing Wire
- 3. Transaction Documents**
  - a. POS Cover
  - b. Rating Reports
  - c. Working Group Distribution List

## Transaction Overview

### General Transaction Details

|   |  |
|---|--|
| <b>Par Amount:</b>                        | \$66,855,000*  |
| <b>Issuer:</b>                            | City of Syracuse Industrial Development Agency   |
| <b>Borrower:</b>                          | Syracuse Joint School Construction Board ("JSCB")  |
| <b>Purpose of 2018A Bonds</b>             | The proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the cost of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City of Syracuse \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. |
| <b>Tax Status:</b>                        | Federally and State Tax-Exempt   |
| <b>Pricing:</b>                           | March 1, 2018  |
| <b>Written Award:</b>                     | March 2, 2018  |
| <b>Closing:</b>                           | March 15, 2018   |
| <b>Rating:</b>                            | Aa2/AA/AA (Moody's, Standard & Poor's, and Fitch)  |
| <b>Bond Counsel:</b>                      | Barclay Damon LLP  |
| <b>JSCB Counsel:</b>                      | Trespasz & Marquart, LLP   |
| <b>SCSD &amp; City Financial Advisor:</b> | Capital Markets Advisors, LLP  |
| <b>Trustee:</b>                           | M&T Bank   |
| <b>Underwriters Counsel:</b>              | Harris Beach, PLLC   |
| <b>Senior Manager:</b>                    | Raymond James & Associates, Inc.   |
| <b>Co-Managers:</b>                       | FTN Financial Capital Markets<br>Loop Capital Markets<br>Ramirez & Co., Inc.   |

\*Subject to change

# Marketing Overview

## Economic Releases & Forward Calendar

| Week of February 26, 2018  |  |   |  |  |
|--|--|---|--|--|
| Monday   | Tuesday  | Wednesday   | Thursday   | Friday   |
| 26   | 27   | 28  | 29   | 2  |
| <ul style="list-style-type: none"> <li>10:00am – New Home sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Durable Good Orders (Jan)</li> <li>8:30am – Adv. Econ Indicators (Jan)</li> <li>10:00am – CB Cons. Confidence (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Real GDP (4Q17, 2<sup>nd</sup> est.)</li> <li>10:00am - Pending Home Sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Jobless Claims</li> <li>8:30am – Personal Income</li> <li>9:45am – Markit US Manf. (Feb, final)</li> <li>10:00am – ISM Manf. Survey (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Employment Report (Mar)</li> <li>10:00am – UM Cons. Sent. (Feb)</li> </ul> |

## Forward Calendar

| Sale Date  | Issuer  | State | Par (\$MM) | Underwriter         |
|------------|---|-------|------------|---------------------|
| 02/27/2018 | Kenowa Hills Public Schools                       | MI    | 36.090     | Raymond James       |
| 02/27/2018 | Tennessee Housing Development Agency              | TN    | 99.900     | Raymond James       |
| 02/28/2018 | Maricopa County                                   | AZ    | 106.665    | J.P. Morgan         |
| 03/01/2018 | NYS Thruway Authority                             | NY    | 600.000    | RBC Capital Markets |
| 03/01/2018 | City of Houston – Airport System                  | TX    | 417.000    | Bank of America     |
| 03/01/2018 | State of Connecticut Health and Edu Fac Authority | CT    | 66.285     | Goldman Sachs       |
| 03/01/2018 | Salinas City Elementary School                    | CA    | 20.000     | Piper Jaffray       |

# Market Information

## Key Interest Rates and Prices

|  | This Week<br>2/23/2018 | Last Week<br>2/16/2018 | Last Month<br>1/26/2018 | Last Year<br>2/24/2017 |
|--|------------------------|------------------------|-------------------------|------------------------|
| Federal Funds Rate                             | 1.50                   | 1.50                   | 1.50                    | 0.75                   |
| Prime Rate                                     | 4.50                   | 4.50                   | 4.50                    | 3.75                   |
| Treasury - 2 yr                                | 2.23                   | 2.19                   | 2.12                    | 1.14                   |
| Treasury - 10 yr                               | 2.84                   | 2.87                   | 2.66                    | 2.31                   |
| LIBOR (1 month)                                | 1.57                   | 1.57                   | 1.57                    | 0.78                   |
| LIBOR (3 month)                                | 1.74                   | 1.74                   | 1.74                    | 1.05                   |
| SIFMA  | 1.09                   | 1.00                   | 1.16                    | 0.64                   |
| SIFMA/1 M LIBOR %                              | 69.6                   | 63.8                   | 74.0                    | 82.0                   |
| B.B. 20 Bond Index <sup>1</sup>                | 3.86                   | 3.84                   | 3.59                    | 3.92                   |
| B.B. Rev. Index <sup>2</sup>                   | 4.35                   | 4.33                   | 4.08                    | 4.08                   |
| 30-Day Visible Supply <sup>3</sup>             | 8.3 B                  | 7.0 B                  | 7.1 B                   | 9.9 B                  |
| 10-Year AAA MMD <sup>4</sup>                   | 2.45                   | 2.46                   | 2.23                    | 2.28                   |
| 10-Year AAA MMD Ratio to Treasury <sup>4</sup> | 86.3                   | 85.6                   | 83.8                    | 98.6                   |
| 30-Year Treasury                               | 3.13                   | 3.13                   | 2.91                    | 2.95                   |
| 30-Year AAA MMD <sup>4</sup>                   | 3.03                   | 3.02                   | 2.81                    | 3.04                   |

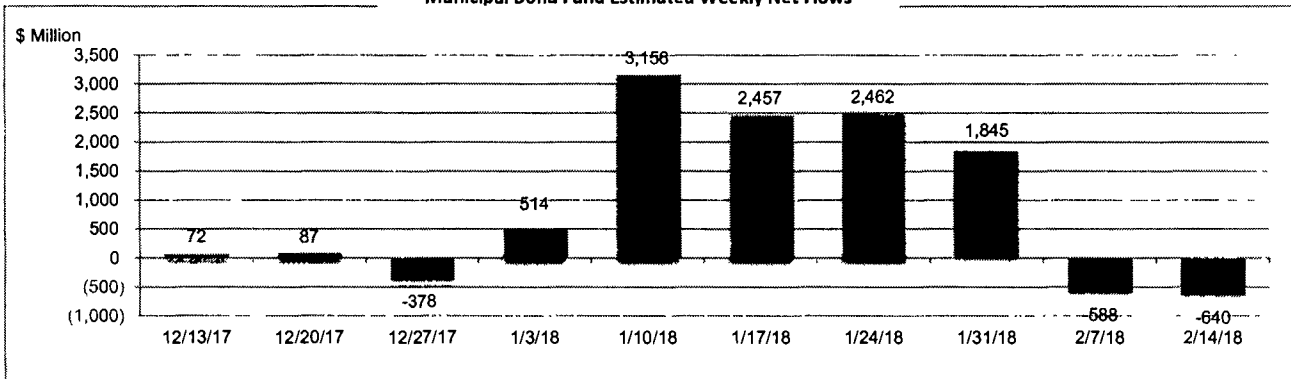
<sup>1</sup> Represents an estimation of the yield on a portfolio of 20 general obligation bonds that matures in 20 years with a composite AA rating

<sup>2</sup> Represents an estimation of the yield that would be offered on 30-yr revenue bonds. The index is comprised of 25 issuers that cover a broad range of type of issues and vary in ratings

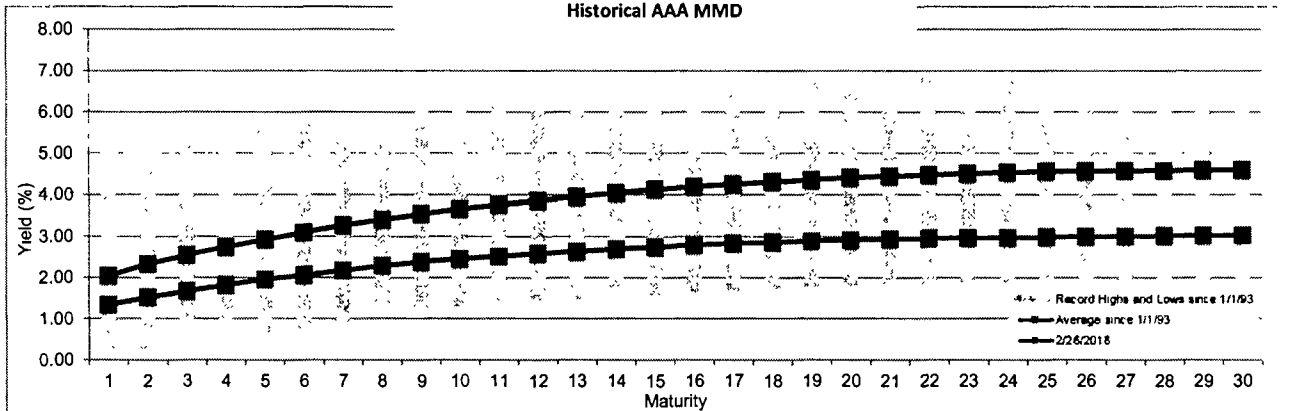
<sup>3</sup> The total dollar volume of municipal securities expected to be offered over the next 30 days.

<sup>4</sup> Represents the benchmark yield for high grade municipal issues, based on a natural "AAA" rated general obligation bond issue. "AAA" MMD is the benchmark for pricing of all tax-exempt municipal issues.

### Municipal Bond Fund Estimated Weekly Net Flows



### Historical AAA MMD



## Municipal Commentary

### Weekly Muni Market Commentary by Jock Wright – Raymond James (2/26/2018)

Volatility continued last week in the fixed income markets, after hitting a 4 year yield high of a 2.95% on Wednesday on the UST Ten year, the market rallied at weeks end as buyers came in to support the market and the ten year ended the week at a 2.86%. Equities continued to recover and some sense of stability returned to other markets. FOMC minutes released last week still point to a hawkish FED that is closely monitoring inflation, but expected to tighten 3 times this year. This week will feature New Fed Chairman Jerome Powell's monetary policy testimony. Market participants will be closely analyzing his comments for signs of future rate increases. It is expected that he will present the markets with a calming influence regarding the FED's stance of future monetary policy. Other important economic releases this week will be Durable Goods Orders, Consumer Confidence and PCE release later in the week.

#### Economic Releases and Events This Week:

- Monday: Chicago FED, New Home Sales
- Tuesday: Powell Monetary Policy(House), Durable Goods Orders, Advance Economic Indicators, Consumer Confidence
- Wednesday: Real GDP(2nd Estimate), Chicago Business Barometer, Pending Home Sales
- Thursday: Jobless Claims, Personal Income and Spending, PCE Price Index, Powell Monetary Policy Testimony(Senate), ISM Mfg. Index, Motor Vehicle Sales
- Friday: UM Consumer Sentiment

Mutual funds and retail investors saw better flows last week and deals that were in the market saw mixed results, but the overall tone could be described as slightly "firmer". Dealer inventories and bid sell lists continue to hamper our market's ability to rally. This week's lighter calendar should be met with decent demand in the primary. For the week MMD was lower in yield by (1) bps in five years, by (1) bps in ten years and higher by +1 bps in thirty years.

This week's primary muni supply breakdown of the \$5bln calendar is: \$3.4bln being negotiated and \$1.6bln via competitive offerings.

U.S. municipal bond funds reported \$347.4 million of net inflows in the week ended February 21st, compared with \$443.4mln of outflows in the previous week, according to data released by Lipper on Thursday. The four-week moving average remained positive at \$203.7mln. High-yield muni bond funds reported outflows of \$5.1 million, compared with inflows of \$20.1 million in the previous week. Source: Reuters/Lipper

### Fixed Income Market Commentary by Kevin Giddis – Raymond James (2/27/2018)

The Treasury market is trading lower this morning as Fed Chair Jay Powell's Congressional Testimony was released. He goes before the House Financial Services Committee in about an hour or so, but there were several tasty tidbits in this release that have caused the market to react. Not in any order, but he was quoted as saying that the Fed sees "further gradual rate hikes," and that "some of the headwinds facing the U.S. economy are now the tailwinds." He also stated that "the FOMC sees risks as roughly balanced," and "the U.S. economic outlook is strong." Yada, yada, yada! The next market event will occur when he begins to answer the questions from Congress. The takeaway from this is that Jay Powell doesn't seem too worried about the Fed "missing it" when it comes to its monetary policy or its tightening strategy. He also doesn't appear to be the type of Fed Chair to elaborate too much either. He reminds me of the Joe Friday, "just the facts ma'am," sort of guy. This uncertainty is likely to be exposed over the next two days, and the market will adjust, just like it has for all of the other Fed Chairs in the past. It does appear to be a lock that the FOMC will raise rates next month. It also seems like they believe that they will raise rates three times in 2018. Bonds have settled down and the yield curve (2's to 10's) is roughly where it started at 64 basis points. The equity market seems to be ok with it as well. As much a Goldilocks 4 page release as one could possibly expect. The key will be when the other shoe drops, will it be consistent with what we have seen, or will Fed Chair Powell go off script and say something that the markets weren't expecting. On the economic front, Durable Goods Orders for January fell 3.7% after rising 2.6% in December. Orders less the volatile transportation component rose 0.7%. So with little left to say, I would think that Jay Powell will do his best to keep the markets calm, help the dollar, and offer a glimpse of how the next couple of years will look in his eyes as the Chairman of the Federal Reserve. While there are plenty of signs that the economy is still growing, we may have to wait a couple more days to gauge the second round of inflation data. Thursday's release of the PCE Core will be closely watched and along with Powell's testimony, could be a market mover.

## Comparable Tax-Exempt Transactions

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | The City of New York                                 |
| <b>Description:</b>  | General Obligation Bonds, Fiscal 2018, Subseries E-1 |
| <b>Par:</b>          | \$700,000,000  |
| <b>Pricing Date:</b> | 2/22/2018  |
| <b>Ratings:</b>      | Aa2/AA/AA  |
| <b>Call Date:</b>    | 3/1/2028   |
| <b>Underwriter:</b>  | Jefferies  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Mar 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | 1.53%          | +0.05         | 1.58%        | 5.000%        |
| 2021            | 1.68%          | +0.07         | 1.75%        | 5.000%        |
| 2022            | 1.82%          | +0.08         | 1.90%        | 5.000%        |
| 2023            | -              | -             | -            | -             |
| 2024            | -              | -             | -            | -             |
| 2025            | -              | -             | -            | -             |
| 2026            | 2.32%          | +0.22         | 2.54%        | 5.000%        |
| 2027            | 2.41%          | +0.22         | 2.63%        | 5.000%        |
| 2028            | -              | -             | -            | -             |
| 2029            | -              | -             | -            | -             |
| 2030            | -              | -             | -            | -             |
| 2031            | 2.67%          | +0.30         | 2.97%        | 5.000%        |
| 2032            | 2.72%          | +0.30         | 3.02%        | 5.000%        |
| 2033            | 2.77%          | +0.58         | 3.35%        | 3.250%        |
| 2034            | 2.81%          | +0.22         | 3.03%        | 5.250%        |
| 2035            | 2.85%          | +0.23         | 3.08%        | 5.250%        |
| 2036            | 2.88%          | +0.64         | 3.52%        | 4.000%        |
| 2037            | 2.91%          | +0.35         | 3.26%        | 5.000%        |
| 2038            | 2.93%          | +0.35         | 3.28%        | 5.000%        |
| 2039            | 2.95%          | +0.35         | 3.30%        | 5.000%        |
| 2040            | 2.97%          | +0.35         | 3.32%        | 5.000%        |
| 2041            | 2.98%          | +0.35         | 3.33%        | 5.000%        |
| 2042            | 2.99%          | +0.68         | 3.67%        | 4.000%        |
| 2043            | -              | -             | -            | -             |
| 2044            | 3.01%          | +0.35         | 3.36%        | 5.000%        |
| 2045            | 3.02%          | +0.68         | 3.70%        | 3.625%        |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | Monroe County Industrial Development Corporation       |
| <b>Description:</b>  | Revenue Bonds, Series 2017CD (University of Rochester) |
| <b>Par:</b>          | \$134,280,000  |
| <b>Pricing Date:</b> | 12/4/2017  |
| <b>Ratings:</b>      | Aa3/AA-/AA-  |
| <b>Call Date:</b>    | 7/1/2027   |
| <b>Underwriter:</b>  | J.P. Morgan  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Jul 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | -              | -             | -            | -             |
| 2021            | -              | -             | -            | -             |
| 2022            | -              | -             | -            | -             |
| 2023            | 1.76%          | +0.15         | 1.91%        | 5.000%        |
| 2024            | 1.82%          | +0.20         | 2.02%        | 5.000%        |
| 2025            | 1.88%          | +0.16         | 2.04%        | 5.000%        |
| 2026            | 1.95%          | +0.18         | 2.13%        | 5.000%        |
| 2027            | 2.03%          | +0.18         | 2.21%        | 5.000%        |
| 2028            | 2.10%          | +0.20         | 2.30%        | 5.000%        |
| 2029            | 2.17%          | +0.22         | 2.39%        | 5.000%        |
| 2030            | 2.23%          | +0.24         | 2.47%        | 5.000%        |
| 2031            | 2.29%          | +0.23         | 2.52%        | 5.000%        |
| 2032            | 2.34%          | +0.55         | 2.89%        | 4.000%        |
| 2033            | 2.39%          | +0.55         | 2.94%        | 4.000%        |
| 2034            | 2.44%          | +0.55         | 2.99%        | 4.000%        |
| 2035            | 2.49%          | +0.52         | 3.01%        | 4.000%        |
| 2036            | 2.52%          | +0.52         | 3.04%        | 4.000%        |
| 2037            | 2.55%          | +0.52         | 3.07%        | 4.000%        |
| 2038            | -              | -             | -            | -             |
| 2039            | -              | -             | -            | -             |
| 2040            | -              | -             | -            | -             |
| 2041            | -              | -             | -            | -             |
| 2042            | -              | -             | -            | -             |
| 2043            | 2.62%          | +0.59         | 3.21%        | 4.000%        |
| 2044            | -              | -             | -            | -             |
| 2045            | -              | -             | -            | -             |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

### Comparable Tax-Exempt Transactions

**Issuer:** County of Monroe Industrial Development Agency  
**Description:** School Facility Revenue Bonds, Series 2017  
**Par:** \$123,670,000  
**Pricing Date:** 7/18/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Citigroup  
**Insured:** No

| Maturity (May 1) | AAA MMD | Spread | Yield | Coupon |
|------------------|---------|--------|-------|--------|
| 2019             | 0.98%   | -0.02  | 0.96% | 5.000% |
| 2020             | 1.07%   | +0.03  | 1.10% | 5.000% |
| 2021             | 1.16%   | +0.06  | 1.22% | 5.000% |
| 2022             | 1.25%   | +0.06  | 1.31% | 5.000% |
| 2023             | 1.38%   | +0.07  | 1.45% | 5.000% |
| 2024             | 1.49%   | +0.12  | 1.61% | 5.000% |
| 2025             | 1.63%   | +0.14  | 1.77% | 5.000% |
| 2026             | 1.77%   | +0.20  | 1.97% | 5.000% |
| 2027             | 1.92%   | +0.19  | 2.11% | 5.000% |
| 2028             | 2.03%   | +0.24  | 2.27% | 5.000% |
| 2029             | 2.13%   | +0.26  | 2.39% | 5.000% |
| 2030             | 2.24%   | +0.24  | 2.48% | 5.000% |
| 2031             | 2.32%   | +0.24  | 2.56% | 5.000% |
| 2032             | 2.39%   | +0.24  | 2.63% | 5.000% |
| 2033             | 2.45%   | +0.24  | 2.69% | 5.000% |
| 2034             | -       | -      | -     | -      |
| 2035             | -       | -      | -     | -      |
| 2036             | -       | -      | -     | -      |
| 2037             | -       | -      | -     | -      |
| 2038             | -       | -      | -     | -      |
| 2039             | -       | -      | -     | -      |
| 2040             | -       | -      | -     | -      |
| 2041             | -       | -      | -     | -      |
| 2042             | -       | -      | -     | -      |
| 2043             | -       | -      | -     | -      |
| 2044             | -       | -      | -     | -      |
| 2045             | -       | -      | -     | -      |
| 2046             | -       | -      | -     | -      |
| 2047             | -       | -      | -     | -      |
| 2048             | -       | -      | -     | -      |

**Issuer:** City of Syracuse Industrial Development Agency  
**Description:** School Facility Revenue Refunding Bonds, Series 2017  
**Par:** \$29,260,000  
**Pricing Date:** 4/5/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Raymond James  
**Insured:** No

| Maturity (May 1) | AAA MMD | Spread | Yield | Coupon |
|------------------|---------|--------|-------|--------|
| 2019             | 1.03%   | +0.03  | 1.06% | 4.000% |
| 2020             | 1.20%   | +0.09  | 1.29% | 4.000% |
| 2021             | 1.35%   | +0.10  | 1.45% | 4.000% |
| 2022             | 1.55%   | +0.07  | 1.62% | 5.000% |
| 2023             | 1.71%   | +0.10  | 1.81% | 5.000% |
| 2024             | 1.86%   | +0.10  | 1.96% | 5.000% |
| 2025             | 2.00%   | +0.16  | 2.16% | 5.000% |
| 2026             | 2.12%   | +0.15  | 2.27% | 5.000% |
| 2027             | 2.21%   | +0.17  | 2.38% | 5.000% |
| 2028             | 2.30%   | +0.30  | 2.60% | 4.000% |
| 2029             | 2.40%   | +0.35  | 2.75% | 4.000% |
| 2030             | 2.50%   | +0.50  | 3.00% | 3.000% |
| 2031             | -       | -      | -     | -      |
| 2032             | -       | -      | -     | -      |
| 2033             | -       | -      | -     | -      |
| 2034             | -       | -      | -     | -      |
| 2035             | -       | -      | -     | -      |
| 2036             | -       | -      | -     | -      |
| 2037             | -       | -      | -     | -      |
| 2038             | -       | -      | -     | -      |
| 2039             | -       | -      | -     | -      |
| 2040             | -       | -      | -     | -      |
| 2041             | -       | -      | -     | -      |
| 2042             | -       | -      | -     | -      |
| 2043             | -       | -      | -     | -      |
| 2044             | -       | -      | -     | -      |
| 2045             | -       | -      | -     | -      |
| 2046             | -       | -      | -     | -      |
| 2047             | -       | -      | -     | -      |
| 2048             | -       | -      | -     | -      |

## Bond Holder Comparison

### Holders of JSCB Bonds

| Holders of Erie IDA (Buffalo JSCB)          |            | Holders of Monroe IDA (Rochester JSCB)         |            | Holders of Syracuse IDA (Syracuse JSCB)      |            |
|---|------------|--|------------|--|------------|
| Firm Name                                   | Par Amount | Firm Name                                      | Par Amount | Firm Name                                    | Par Amount |
| Franklin Templeton Investments              | 67,040     | The Vanguard Group, Inc                        | 29,700     | American Money Management Corporation        | 3,500      |
| The Vanguard Group, Inc                     | 44,480     | Franklin Templeton Investments                 | 15,820     | Selective Insurance Group, Inc               | 3,040      |
| Lord, Abbett & Co LLC                       | 25,735     | American Money Management Corporation          | 14,000     | Savings Bank Life Insurance Company          | 3,000      |
| Capital Research & Management Co            | 22,340     | TIAA Global Asset Management                   | 12,000     | Columbian Mutual Life Insurance Company      | 2,990      |
| Loews Corporation (Investments)             | 20,180     | OppenheimerFunds Inc (Rochester)               | 11,520     | Foresters Investment Management Company      | 2,600      |
| Putnam Investment Management LLC            | 16,500     | Nuveen Asset Management LLC                    | 7,875      | Thornburg Investment Management Inc          | 2,150      |
| Nuveen Asset Management LLC                 | 16,200     | Fidelity Management & Research Company         | 7,705      | Loomis, Sayles & Company LP (San Francisco)  | 1,738      |
| Thornburg Investment Management Inc         | 14,000     | J.P. Morgan Investment Management              | 5,753      | Standish Mellon Asset Management Company LLC | 1,738      |
| OppenheimerFunds Inc (Rochester)            | 10,625     | BlackRock Investment Management LLC            | 5,280      | Putnam Investment Management LLC             | 1,000      |
| Goldman Sachs Asset Management (US)         | 9,000      | Farm Bureau Life Insurance Company             | 5,115      | Federated Investment Management Company      | 900        |
| BlackRock Investment Management LLC         | 8,990      | New York Life Investment Management LLC        | 4,600      | Mutual Beneficial Association Inc            | 250        |
| Federated Investment Management Company     | 8,100      | Goldman Sachs Asset Management (US)            | 4,000      | Wilmington Trust Investment Advisors Inc     | 100        |
| AllianceBernstein LP                        | 5,800      | Western Asset Management Co                    | 4,000      | The Order of the Sons of Herman              | 40         |
| Kentucky Farm Bureau                        | 5,000      | Columbian Mutual Life Insurance Company        | 3,750      |  |            |
| Bessemer Trust Company, N.A.                | 5,000      | PIMCO (US)                                     | 3,700      |  |            |
| Columbia Management Investment Advisers LLC | 4,940      | MFS Investment Management                      | 2,000      |  |            |
| T Rowe Price Associates Inc                 | 4,500      | MacKay Shields LLC                             | 1,950      |  |            |
| Standish Mellon Asset Management Company    | 3,478      | Guggenheim Partners Asset Management           | 1,950      |  |            |
| Deutsche Asset Management Americas          | 3,000      | New York Life Investment Management LLC        | 1,950      |  |            |
| Donegal Mutual Insurance Company            | 3,000      | Standish Mellon Asset Management Company       | 1,690      |  |            |
| American Money Management Corporation       | 3,000      | United Farm Family Life Insurance Company      | 1,000      |  |            |
| Neuberger Berman, LLC                       | 2,330      | Capital Research & Management Co               | 1,000      |  |            |
| USAA Investment Management Company          | 2,250      | New York Central Mutual Fire Insurance Company | 1,000      |  |            |
| Wilmington Trust Investment Management      | 2,000      | JP Morgan Asset Management                     | 743        |  |            |
| Loomis, Sayles & Company LP (San Francisco) | 1,978      | Van Eck Associates Corporation                 | 255        |  |            |

Source: Emaxx (Represents investors who reported holdings to Emaxx. Not all holders may be listed.)

Blue indicates holders who do not hold Syracuse IDA



**Orders of the City of Syracuse IDA - School Facility Revenue Refunding Bonds, Series 2017 Issue**

| <b>Account</b>                      | <b>Retail</b>   | <b>Institutional</b> | <b>Total</b>      |
|-------------------------------------|-----------------|----------------------|-------------------|
| Bessemer Trust Company N.A.         | -               | \$ 8,860             | \$ 8,860          |
| Blackrock Financial Management Sma  | -               | 6,815                | 6,815             |
| Boston Company                      | -               | 9,620                | 9,620             |
| Boyd Watterson Asset Management     | -               | 950                  | 950               |
| Carret Asset Management Llc         | -               | 50                   | 50                |
| Chilton Financial                   | -               | 7,510                | 7,510             |
| Cmap                                | -               | 11,695               | 11,695            |
| Columbia Management Advisors        | -               | 3,105                | 3,105             |
| Evercore Wealth Managment Llc       | -               | 6,135                | 6,135             |
| Fiduciary Trust Company             | -               | 1,175                | 1,175             |
| First Republic Bank                 | -               | 6,555                | 6,555             |
| Goldman Sachs Asset Management      | -               | 13,955               | 13,955            |
| Individuals                         | \$ 2,100        | -                    | 2,100             |
| Jp Morgan Asset Management          | -               | 13,815               | 13,815            |
| Lord Abbett                         | -               | 15,740               | 15,740            |
| Neuberger Berman (Broker To Broker) | -               | 7,630                | 7,630             |
| Neuberger Berman Mgmt Inc           | -               | 22,015               | 22,015            |
| Northern Trust                      | -               | 850                  | 850               |
| Nuveen Asset Management             | -               | 6,285                | 6,285             |
| Oppenheimer Asset Management Inc.   | -               | 1,000                | 1,000             |
| Samson Capital Advisors             | -               | 19,655               | 19,655            |
| Spring Lake Asset Management        | -               | 2,880                | 2,880             |
| Stock                               | -               | -                    | 1,040             |
| Tiaa-Cref Investment Management     | -               | 5,000                | 5,000             |
| Us Trust Corporation                | -               | 2,900                | 2,900             |
| Wall Street Access                  | -               | 1,000                | 1,000             |
| Wells Capital                       | -               | 1,000                | 1,000             |
| Western Asset Management Funds      | -               | 3,365                | 3,365             |
| William Jones & Associates          | -               | 2,000                | 2,000             |
| Wilmington Trust Corp               | -               | 9,625                | 9,625             |
| <b>Total</b>                        | <b>\$ 2,100</b> | <b>\$ 191,185</b>    | <b>\$ 194,325</b> |

Pricing Worksheet

Pre-Pricing Scale (2/28/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  | 1.54       | .05              | 1.59     | 5.000     |
| 2021  | 1.69       | .06              | 1.75     | 5.000     |
| 2022  | 1.84       | .08              | 1.92     | 5.000     |
| 2023  | 1.99       | .09              | 2.08     | 5.000     |
| 2024  | 2.10       | .10              | 2.20     | 5.000     |
| 2025  | 2.22       | .12              | 2.34     | 5.000     |
| 2026  | 2.34       | .13              | 2.47     | 5.000     |
| 2027  | 2.43       | .15              | 2.58     | 5.000     |
| 2028  | 2.50       | .16              | 2.66     | 5.000     |
| 2029  | 2.57       | .17              | 2.74     | 5.000     |
| 2030  | 2.63       | .18              | 2.81     | 5.000     |
| 2031  | 2.68       | .18              | 2.86     | 5.000     |
| 2032  | 2.72       | .18              | 2.90     | 5.000     |
| 2033  | 2.77       | .18              | 2.95     | 5.000     |
| 2034  | 2.82       | .53              | 3.35     | 3.250     |

Pricing Scale (3/1/18) - AM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  |            |                  |          |           |
| 2021  |            |                  |          |           |
| 2022  |            |                  |          |           |
| 2023  |            |                  |          |           |
| 2024  |            |                  |          |           |
| 2025  |            |                  |          |           |
| 2026  |            |                  |          |           |
| 2027  |            |                  |          |           |
| 2028  |            |                  |          |           |
| 2029  |            |                  |          |           |
| 2030  |            |                  |          |           |
| 2031  |            |                  |          |           |
| 2032  |            |                  |          |           |
| 2033  |            |                  |          |           |
| 2034  |            |                  |          |           |

Re-Pricing Scale (3/1/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  |            |                  |          |           |
| 2021  |            |                  |          |           |
| 2022  |            |                  |          |           |
| 2023  |            |                  |          |           |
| 2024  |            |                  |          |           |
| 2025  |            |                  |          |           |
| 2026  |            |                  |          |           |
| 2027  |            |                  |          |           |
| 2028  |            |                  |          |           |
| 2029  |            |                  |          |           |
| 2030  |            |                  |          |           |
| 2031  |            |                  |          |           |
| 2032  |            |                  |          |           |
| 2033  |            |                  |          |           |
| 2034  |            |                  |          |           |

## Syndicate Price Views

| May 1 | Spreads*      |     |      |         |    | Average |
|-------|---------------|-----|------|---------|----|---------|
|       | Raymond James | FTN | Loop | Ramirez |    |         |
| 2020  | 5             | 7   | 5    | 7       | 6  |         |
| 2021  | 7             | 9   | 5    | 11      | 8  |         |
| 2022  | 9             | 11  | 7    | 13      | 10 |         |
| 2023  | 10            | 13  | 8    | 15      | 12 |         |
| 2024  | 12            | 15  | 10   | 17      | 14 |         |
| 2025  | 14            | 17  | 12   | 19      | 16 |         |
| 2026  | 16            | 19  | 12   | 21      | 17 |         |
| 2027  | 18            | 20  | 15   | 22      | 19 |         |
| 2028  | 20            | 21  | 15   | 23      | 20 |         |
| 2029  | 20            | 23  | 15   | 24      | 21 |         |
| 2030  | 20            | 25  | 15   | 25      | 21 |         |
| 2031  | 20            | 25  | 15   | 25      | 21 |         |
| 2032  | 20            | 25  | 15   | 25      | 21 |         |
| 2033  | 20            | 25  | 15   | 25      | 21 |         |
| 2034  | 20            | 25  | 15   | 25      | 21 |         |

\*Price Views are based on 5% Coupons and an 8 year call.



**RAYMOND JAMES**

**Price Views Wire (2-27-18)**

RE: \$ 66,855,000\*  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A

Please use the spreads below for pre-marketing purposes, pricing is scheduled for Thursday, March 1st.

POS Link: <https://www.munios.com/munios-notice.aspx?i=5029QF1m38x>

MOODY'S: Aa2    S&P: AA    FITCH: AA  
                              Stable Outlook    Stable Outlook    Stable Outlook  
 DATED:03/15/2018     FIRST COUPON:11/01/2018  
 DUE: 05/01

| MATURITY   | I-Spread | AMOUNT* | COUPON      | PRICE                        | ADD'L<br>TAKEDOWN<br>( Pts ) |
|------------|----------|---------|-------------|------------------------------|------------------------------|
| 05/01/2020 | +5       | 3,070M  | 5.00%       | 1.59                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 107.104)               |                              |
| 05/01/2021 | +6       | 3,225M  | 5.00%       | 1.75                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 109.848)               |                              |
| 05/01/2022 | +8       | 3,390M  | 5.00%       | 1.92                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 112.164)               |                              |
| 05/01/2023 | +9       | 3,565M  | 5.00%       | 2.08                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 114.130)               |                              |
| 05/01/2024 | +10      | 3,750M  | 5.00%       | 2.20                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 115.967)               |                              |
| 05/01/2025 | +12      | 3,940M  | 5.00%       | 2.34                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 117.367)               |                              |
| 05/01/2026 | +13      | 4,140M  | 5.00%       | 2.47                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 118.524)               |                              |
| 05/01/2027 | +15      | 4,355M  | 5.00%       | 2.58                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 117.638 | Approx. YTM                  |
|            |          |         | 2.797)      |                              |                              |
| 05/01/2028 | +16      | 4,580M  | 5.00%       | 2.66                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 116.999 | Approx. YTM                  |
|            |          |         | 3.037)      |                              |                              |
| 05/01/2029 | +17      | 4,810M  | 5.00%       | 2.74                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 116.364 | Approx. YTM                  |
|            |          |         | 3.237)      |                              |                              |
| 05/01/2030 | +18      | 5,060M  | 5.00%       | 2.81                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 115.811 | Approx. YTM                  |
|            |          |         | 3.398)      |                              |                              |
| 05/01/2031 | +18      | 5,320M  | 5.00%       | 2.86                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 115.418 | Approx. YTM                  |
|            |          |         | 3.523)      |                              |                              |
| 05/01/2032 | +18      | 5,590M  | 5.00%       | 2.90                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 115.105 | Approx. YTM                  |
|            |          |         | 3.624)      |                              |                              |
| 05/01/2033 | +18      | 5,880M  | 5.00%       | 2.95                         | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC 05/01/2026 114.715 | Approx. YTM                  |
|            |          |         | 3.719)      |                              |                              |
| 05/01/2034 | +53      | 6,180M  | 3.25%       | 3.35                         | 0.275                        |
|            |          |         | (Approx. \$ | Price 98.759)                |                              |

-----  
 CALL FEATURES: Optional call in 05/01/2026 @ 100.00  
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\*\*Bonds subject to ERP -- see page 30 of the POS\*\*

\* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, March 2, 2018.

Delivery is expected on Thursday, March 15, 2018.

This issue is book entry only. This issue is clearing through DTC.

Raymond James & Associates, Inc.

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

By: Raymond James & Associates, Inc. New York, NY

New Issue Book Entry

Moody's: "Aa2"  
 Standard & Poor's: "AA"  
 Fitch: "AA"  
 (See "RATINGS" herein)

\$67,120,000\*

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

Dated: Delivery Date

Due: as shown on inside cover

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**") are being issued by the City of Syracuse Industrial Development Agency (the "**Issuer**") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "**Syracuse Schools Act**"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "**Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "**Trustee**"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "**SCSD**"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "**City**") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**2008 Original Installment Sale Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "**Fourth Amended Agreement**"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "**JSCB**").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("**State Aid to Education**"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "**State**"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**") and together with the Depository Agreement collectively, the "**State Aid Depository Agreement**"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "**Depository**"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespass & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 15, 2018.*

Raymond James

FTN Financial Capital Markets

Loop Capital Markets

Ramirez &amp; Co., Inc.

Dated: March 2018

\* Preliminary, subject to change

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's assigns enhanced Aa2 to Syracuse I.D.A., NY's Rev bonds

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Global Credit Research - 12 Jan 2018

New York, January 12, 2018 -- Moody's Investors Service has assigned a Aa2 enhanced rating to Syracuse City School District, NY's \$65.7 million School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A issued by the Syracuse Industrial Development Agency (NY).

#### RATINGS RATIONALE

The Aa2 enhanced rating is based on the New York Municipal School Aid Intercept Program which carries a Aa2 rating with a stable outlook. The program rating and outlook shadows the State of New York's long term rating of Aa1 stable. Additional consideration is given to an anticipated healthy coverage of maximum debt service from pledged revenues, given the district's high reliance on state operating aid.

#### RATING OUTLOOK

Given that no underlying rating was assigned, no outlook has been assigned.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

- Improvement in New York State's General Obligation rating

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

- Downgrade of the General Obligation rating of New York State
- Deteriorating coverage levels

#### LEGAL SECURITY

The bonds are special limited obligations of the Syracuse IDA secured by Installment purchase payments from the City of Syracuse CSD.

#### USE OF PROCEEDS

The proceeds from the Series 2018 bonds will be used to finance Phase II of the redevelopment program which consists of reconstruction, construction and rehabilitation of existing school buildings, and the acquisition of certain equipment.

#### PROFILE

The Syracuse City School District serves a student population of 19,951 in the City of Syracuse (A1 stable). The Syracuse IDA is governmental agency created by the state legislature authorized to issue the School Facility Revenue Bonds.

#### METHODOLOGY

The principal methodology used in this rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this

announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

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**CREDIT OPINION**

12 January 2018

**Rate this Research** >>

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## Syracuse City School District, NY

### Update to credit analysis

**Summary**

The Syracuse IDA benefits from strong intercept mechanics as described in the New York Municipal School Aid Intercept Program. The school district benefits from high state aid providing strong coverage of debt service.

**Credit strengths**

- » Coverage during the interceptable period is strong
- » Moderate increases to state aid expected going forward

**Credit challenges**

- » State aid is subject to annual appropriation and delays

**Rating outlook**

Given that no underlying rating was assigned, no outlook has been assigned.

**Factors that could lead to an upgrade**

- » Improvement in New York State's General Obligation rating.

**Factors that could lead to a downgrade**

- » Downgrade of the General Obligation rating of New York State
- » Deteriorating coverage levels

**Detailed credit considerations**
**State approved special legislation for overhaul of Syracuse CSD facilities**

In 2006, the state enabled a comprehensive redevelopment program for the CSD's construction of new schools and improvements to existing school facilities through the Syracuse Schools Act over a course of four phases expected to total nearly \$1 billion. Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013.

**Financial Operations and Coverage: Strong coverage continues; School District obligated to make installment payments to IDA**

SIDA has no taxing authority and bondholder security is derived from an installment sale agreement between the CSD and SIDA under which the CSD will make annual payments equal to the annual debt service requirement. These payments are subject to annual

appropriation by the CSD (although state aid intercept mechanics offset the risk of non-appropriation as discussed above) and state aid pledged to the bonds is subject to annual appropriation by the state.

However, Moody's fully anticipates that state aid, which totaled \$318 million in fiscal 2017 compared to projected maximum annual debt service of \$8.5 million, will continue to be made given the fact that the CSD is the one of the largest school districts in New York State and relies on state aid for approximately 80% of its operating revenue.

State aid to the CSD continues to increase, and fiscal 2018 state aid is projected at \$332 million, providing strong provided ample coverage (39 times) of projected maximum annual debt service (MADS). Coverage during the four-month collection interceptable period was healthy at 21.7 times on a cash flow basis. Disbursements are subject to change and delay in the event of state cash flow limitations. However, Moody's believes that these coverage levels provide adequate cushion to mitigate any unforeseen pressure on the state budget. The July 15th state aid payment certificate can be modified subsequently in the event state cash flow disbursements are altered. Although there is no additional bonds test, given planned issuance only for projects approved for state building aid reimbursement (currently 98%), Moody's expects state aid would increase commensurate with additional issuance, and debt service coverage will remain strong. Projected total state aid for fiscal 2018 increases again to \$332 million total and \$184 million during the interceptable period.

#### **Strong Intercept Mechanics**

All state aid (state building and operating aid) will flow directly to the State Aid Depository Fund. Each July 15th, the CSD will provide to the trustee a "state aid payment certificate" which will delineate the percent of debt service to be deducted from state aid during the collection period (the aid-rich period between December 1st and March 31st, during which time approximately 60% of annual state aid is typically received). Excess aid will be forwarded to the CSD General Fund monthly after funding of the Bond Fund and any deficiencies in prior series' DSRFs. In the event state aid is insufficient to fund that month's deposit, the difference will be added to the following month's required segregation such that by March 31st, the May 1st principal and interest and the November 1st interest payments will be fully segregated.

#### **Debt and Legal Security**

Each issuance under this program is separately secured and enjoys a parity lien on state aid receipts of the district. As with past series, there is no additional bonds test.

Given the fact that this is an installment sale agreement between the SIDA and the CSD, and is supported predominantly by nonproperty tax sources, the debt is not legal indebtedness of the City of Syracuse (A1 Stable) and is not factored into its legal- and Moody's-calculated adjusted debt burden.

#### **COMPETING CLAIMS ON STATE AID REVENUE DON'T MATERIALLY DILUTE COVERAGE**

While competing claims on state aid exist, these will not materially dilute debt service coverage. Only Revenue Anticipation Notes (RANs) issued by the city on behalf of the CSD have a priority claim on state aid, which could dilute coverage in a worst case scenario, should a RAN borrowing require segregation as early as March. The city issues revenue anticipation notes each year on behalf of the CSD.

The city issued \$51.8 million in RANs on behalf of the CSD in October of 2017. The notes are payable on October 5, 2017. The city anticipates an additional cash flow borrowing on behalf of the CSD in the fall of 2018. Over the past five fiscal years, Syracuse has issued an average of \$53.6 million in RANs annually for the SCSD.

Declining enrollment or alteration of reimbursement rates and/or timing of payments by New York State could also cause coverage levels to fall. However, the CSD reports that general population declines are offset by growing enrollment of refugee students. Enrollment has grown from 19,713 in 2012 to 20,136 in 2018.

#### **DEBT-RELATED DERIVATIVES**

There is no exposure to debt-related derivatives

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**Management and Governance**

Despite reductions in reliance on reserves and out-year budget gaps, city management will be challenged to achieve balance over the near-term.

New York School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New York School Districts operate within a state-imposed property tax cap, which limits their ability to increase their operating levy by the lesser of 2% or CPI. This cap cannot be overridden at the local level, but can be overridden with 60% voter approval. Unpredictable revenue fluctuations tend to be low, or less than 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. New York State has public sector unions and the additional constraint of the Triborough Amendment, which limits the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, or between 5-10% annually.

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**Summary:**

## **Syracuse Industrial Development Agency, New York; Appropriations; General Obligation**

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### **Table Of Contents**

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Rationale

Outlook



## Summary:

# Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

## Credit Profile

US\$65.675 mil sch facility rev bnds (Syracuse City Sch Dist Proj) ser 2018A due 05/01/2035

*Long Term Rating*

AA/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA' rating to the Syracuse Industrial Development Agency, N.Y.'s series 2018A school facility revenue refunding. At the same time, we affirmed our 'AA' rating on the agency's series 2010, 2011A, 2011B, and 2017A general obligation (GO) debt. The outlook for all issues is stable.

The rating reflects what we view as:

- The strength of the statutory direct-pay intercept of state aid for education by the New York state comptroller, which is structured to be sent directly to the bond trustee in advance of debt service due dates to pay debt service;
- A established funding structure that allows for the timely intercept of state aid and payment of principal and interest on the bonds outstanding even if the school district fails to appropriate funds;
- The state's consistent and strong oversight of school districts with a long history of state support, especially in distressed situations; and
- Strong maximum annual debt service (MADS) coverage.

We typically rate intercept or withholding programs that meet certain requirements at a level one notch off of our GO debt rating on the state--on par with the state appropriation rating--reflecting the appropriation nature of the intercept or withholding mechanism. Accordingly, if we change the state GO rating, we would likely change the program rating. In our view, programs such as the one in place for Syracuse City School District, that allow for the full and timely payment of debt service from state aid with strong state oversight, qualify for the enhanced rating. Bond proceeds will be used for financing a portion of the costs of Phase II of the school redevelopment program, which consist of design and/or reconstruction, construction, and rehabilitation of existing school buildings.

The New York State Legislature has authorized the bonds under the Syracuse Schools Act of 2006. Under the State Aid Depository Agreement, the City and the Syracuse City School District instructed the state comptroller to pay all state building aid and operating aid for Syracuse city school districts to the state aid depository fund held by the depository bank. Under the indenture, deposits of state aid to pay debt service begin on Dec. 1, with sufficient funds set aside by March 31 to pay principal and interest payments on the subsequent May 1 and Nov. 1. Amounts in the state aid depository fund will be transferred to the bond fund held by the bond trustee to pay scheduled debt service.

MADS on the agency's school program bonds, including series 2010, 2011A, 2011B, 2017A, and the new 2018A series, is \$17.76 million and due in 2022. In the fiscal year ended June 30, 2017, the Syracuse City School District estimates it

received \$318.8 million in total state aid, which is consistent with the high state aid provided in previous years. For the November through April period, the district received about \$181.6 million in state aid, with a strong 10.2x MADS coverage. Fiscal 2017's total state aid provided MADS coverage of 17.9x for the program. The debt is amortized through 2035.

The structure of the program, in which state aid in the current state fiscal year funds debt service payments for the subsequent year, and historically strong coverage, provide adequate protection against delayed passage of state budgets.

## Outlook

The stable outlook reflects the current outlook on the state of New York's GO debt and the strength of state appropriations for New York education. We would expect the rating to change if our rating on New York State's GO debt changes

### Ratings Detail (As Of January 12, 2018)

|  |                 |          |
|--|-----------------|----------|
| Syracuse Indl Dev Agy sch fac rev bnds (Syracuse City Sch Dist Proj) |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy sch fac rfdg rev bnds                          |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy GO (AGM)                                       |                 |          |
| <i>Unenhanced Rating</i>   | AA(SPUR)/Stable | Affirmed |

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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# FitchRatings

## Fitch Rates Syracuse IDA School Facility (NY) Rev Bonds 'AA'; Outlook Stable

Fitch Ratings-New York-11 January 2018: Fitch Ratings has assigned a 'AA' rating to the following Syracuse Industrial Development Agency, NY (IDA) revenue bonds:

--\$65.7 million school facility revenue bonds (Syracuse city school district project), series 2018A.

In addition, Fitch has affirmed the 'AA' ratings on approximately \$32 million of school facility revenue bonds outstanding (Syracuse city school district project), series 2008A.

The Rating Outlook is Stable.

### SECURITY

The bonds are secured solely by state aid revenues annually appropriated to the Syracuse City School District by the state of New York and remitted to the district from the period Dec. 1 through March 31 (the collection period).

In the event that the district fails to appropriate state aid sufficient to cover debt service payments by Nov. 10 (for debt service payments scheduled for the following May 1 and Nov. 1), state aid sufficient to cover principal and interest will be intercepted by the state and forwarded to the trustee. As intercepted aid is not subject to appropriation by the district, this provision effectively removes the risk to bondholders of non-appropriation by the district.

There is no debt service reserve securing the 2018A bonds.

### KEY RATING DRIVERS

**RATING BASED ON STATE INTERCEPT:** The 'AA' rating is based on the state's obligation to intercept the district's state aid in a timely manner as needed to pay debt service. Administrative, structural and legal protections in place for the bonds provide credit enhancement for this debt at a level equal to one notch below New York State's 'AA+' Issuer Default Rating (IDR). The 'AA' rating does not reflect the district's underlying credit quality.

**STATE AID SET-ASIDE:** Bondholders benefit from remittance of state aid to a depository fund from which debt service is set aside before flowing to the district. In the event of a failure by the district to certify that sufficient funds have been set aside to cover upcoming debt service, state aid is remitted directly to the trustee, providing for pre-default payment.

**STRONG COVERAGE:** Interceptable state aid provides strong coverage of maximum annual debt service (MADS) on the current issue and on total authorized borrowing. Fitch expects coverage levels to remain strong despite potential modest declines in the coming years due to the district's extensive capital and borrowing plans, competition from charter schools and pressured enrolment.

### RATING SENSITIVITIES

**CHANGE IN NEW YORK'S IDR:** The rating is sensitive to a change in the state's IDR, to which these bonds are linked.

**MATERIAL WEAKENING IN COVERAGE LEVELS:** The rating assumes continued strong coverage of debt service by interceptible state aid. A material decline in future coverage could pressure the rating.

### CREDIT PROFILE

The New York State legislature Chapter 58 Pt. A4 of the Laws of 2006 (the intercept act), authorized the bonds to encourage the city and district to renovate its public schools. Capital improvement spending under phase one totaled \$145 million. The second phase was authorized by the state legislature in 2013 and authorized up to \$300 million in additional capital improvements. The district's capital and financial plan for phase two is broken into two sets of projects; the first set has been approved by the New York State Dept. of Education and includes six projects with a seventh in the design phase. The district estimates its total capital improvement costs over all phases of its modernization efforts at approximately \$1.2 billion, the majority of which is expected to be financed under the current borrowing program.

The school district is governed by an independently elected board of education. The city of Syracuse (A/Stable) city council approves the district's budget and levies taxes on its behalf, but does not otherwise exercise direct control over the district.

## STRONG COVERAGE BY STATE AID

State aid is remitted monthly, but unevenly, to the district during the course of the fiscal year. Between Dec. 1 and March 31, the district's state-aid moneys are remitted to a state-aid depository fund held outside the district. Funds for the payment of upcoming debt service are set aside and the remaining funds are forwarded to the district to cover operations.

In the event the district fails to certify to the trustee by Nov. 10 that it has set aside sufficient moneys to cover upcoming debt service, the trustee will notify the state comptroller. The comptroller will intercept pending state aid receipts destined for the district and remit such moneys immediately (between Nov. 15 and April 30) to the trustee. The intercept mechanism ensures that the trustee has sufficient funds on hand to cover debt service well in advance of the payment dates.

Fitch's 'AA' rating is based on the intercept mechanism which, if triggered, would take into account senior claims. Approximately 55% of interceptable state aid - \$184 million out of \$332 million in total fiscal 2018 state aid - will be remitted during the collection period. Coverage during the collection period from state aid is strong at an estimated 10.4x MADS for fiscal 2018. Coverage from all state aid appropriated during the fiscal year is an estimated 18.7x MADS. When collection-period state aid is considered versus MADS for the bonds and the district's senior debt obligations combined, coverage is still robust at an estimated 6.3x MADS.

Future building modernization projects will in all likelihood be supported by state building aid, which has historically covered about 80% of project costs. If that continues to be the case, Fitch expects coverage of debt service by state aid to remain strong.

## SENIOR LIEN RISKS TO INTERCEPT COVERAGE

Interceptable aid could be diminished due to various senior and parity claims to the district's state aid for education, such as late charter school payments by the district that have a senior claim to state aid funds.

Furthermore, the district has approximately \$35 million of outstanding general obligation (GO) debt that is subject to a post-default state aid intercept; senior GO bond claims on state aid resources could marginally diminish coverage. The intercept of funds to cure a GO default is senior to the regular payments on the school facility revenue bonds. However, if the intercept for the revenue bonds is also triggered, the defaulted GOs and the rated bonds would become parity obligations under the intercept act. Fitch does not believe the lien provisions for competing state aid claims materially affect the strength of debt service coverage.

## RISK OF LATE STATE BUDGET MITIGATED BY COLLECTION PERIOD

Fitch believes that the timeframe of the collection period mitigates risks associated with the possibility of late state-budget adoption, as the state's fiscal year begins on April 1. The collection period does not begin until Dec. 1 - eight months into the state's fiscal year. In the past, the state was up to 4 1/2 months late in adopting a budget; however, recent budget adoption has been on time. Fitch believes the risk of potential delays in state aid payments during times of budgetary pressure is mitigated by high coverage levels.

## PRESSURED DISTRICT ENROLLMENT AND CHARTER SCHOOL COMPETITION

Fitch believes that declining student enrollment and increased charter school competition may have a modestly negative affect on future growth in state aid revenues. The district has experienced a nearly 5% enrollment decline since 2007, to an estimated 20,136 students in 2018. The district posted a small enrollment gain for fiscal 2018, which it attributes to an influx of refugee families.

Fitch believes that the sustainability of recent enrollment growth is uncertain given the 1.2% population decrease in Syracuse since the 2010 U.S. Census. In addition, future enrollment losses from continued charter school development - if such development occurs - could outweigh population gains over time.

Three charter schools currently operate within the district and educate about 1,800 pupils (approximately 9% of district and charter enrollees). In 2010 the state legislature increased the statewide number of charter schools permitted, which allowed two additional charters to receive state approval in 2016. One new charter school opened in 2017 and enrolls about 230 students. All charters receive formulaic per pupil aid that passes through the district. The district made \$19.7 million in charter school payments in fiscal 2017. Officials estimate fiscal 2018 charter school payments will increase to about \$24 million, up 22% from the prior year.

Despite pressure on enrollment, management anticipates that state aid will increase due to a growing need for increased ESL services. The district's five-year financial plan estimated that state aid for education would increase by 4.4% in fiscal 2018, followed by more modest increases through fiscal 2021. Fiscal 2018 state aid receipts have closely matched management's expectations. Fitch anticipates coverage levels to remain high due to planned new debt issuances that will likely be supported by further increases in interceptable state building aid.

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U.S. Public Finance Tax-Supported Rating Criteria (pub. 31 May 2017) (<https://www.fitchratings.com/site/re/898466>)

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**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A**

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TABLE OF CONTENTS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Report                          | Page |
|---------------------------------|------|
| <b>Phase II - Tranche 1A</b>    |      |
| Sources and Uses of Funds       | 1    |
| Spread to Municipal Grade Yield | 2    |
| Bond Pricing                    | 3    |
| Bond Debt Service               | 4    |
| Net Debt Service                | 6    |
| Bond Summary Statistics         | 8    |
| Proof of Arbitrage Yield        | 9    |
| Average Takedown                | 11   |
| Underwriter's Discount          | 12   |
| Cost of Issuance                | 13   |
| <b>Bellevue</b>                 |      |
| Sources and Uses of Funds       | 14   |
| Bond Pricing                    | 15   |
| Bond Debt Service               | 16   |
| Net Debt Service                | 17   |
| Bond Summary Statistics         | 18   |
| <b>Ed Smith</b>                 |      |
| Sources and Uses of Funds       | 19   |
| Bond Pricing                    | 20   |
| Bond Debt Service               | 21   |
| Net Debt Service                | 22   |
| Bond Summary Statistics         | 23   |
| <b>Frazer</b>                   |      |
| Sources and Uses of Funds       | 24   |
| Bond Pricing                    | 25   |
| Bond Debt Service               | 26   |
| Net Debt Service                | 27   |
| Bond Summary Statistics         | 28   |
| <b>Grant</b>                    |      |
| Sources and Uses of Funds       | 29   |
| Bond Pricing                    | 30   |
| Bond Debt Service               | 31   |
| Net Debt Service                | 32   |
| Bond Summary Statistics         | 33   |

## SOURCES AND USES OF FUNDS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Sources  | Bellevue             | Ed Smith             | Frazer              | Grant                | Total                |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|
| <b>Bond Proceeds</b>                           |                      |                      |                     |                      |                      |
| Par Amount                                     | 18,830,000 00        | 19,800,000 00        | 6,215,000 00        | 22,420,000 00        | 67,265,000 00        |
| Net Premium                                    | 2,665,170.45         | 2,808,185 95         | 880,862 75          | 3,178,289 50         | 9,532,508 65         |
|  | <u>21,495,170 45</u> | <u>22,608,185 95</u> | <u>7,095,862 75</u> | <u>25,598,289 50</u> | <u>76,797,508 65</u> |
| <b>Other Sources of Funds</b>                  |                      |                      |                     |                      |                      |
| SCSD Contribution for BAN Interest Repayment   | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| SCSD Contribution for BAN Principal Repayment  | 145,572 92           | 153,020.83           | 48,072 92           | 173,333 33           | 520,000 00           |
|  | <u>163,351 47</u>    | <u>171,708 98</u>    | <u>53,943 98</u>    | <u>194,502 21</u>    | <u>583,506 64</u>    |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806 73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |
| <b>Uses</b>                                    | <b>Bellevue</b>      | <b>Ed Smith</b>      | <b>Frazer</b>       | <b>Grant</b>         | <b>Total</b>         |
| <b>Project Fund Deposits</b>                   |                      |                      |                     |                      |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12         | 2,182,733 36         | 685,725.79          | 2,472,476 73         | 7,417,430 00         |
| Deposit to Series 2018A Project Account        | 17,912,617 54        | 18,841,522 56        | 5,913,063 35        | 21,331,894 06        | 63,999,097 51        |
|  | <u>19,989,111 66</u> | <u>21,024,255 92</u> | <u>6,598,789 14</u> | <u>23,804,370 79</u> | <u>71,416,527 51</u> |
| <b>Other Fund Deposits</b>                     |                      |                      |                     |                      |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| BAN Principal Repayment from SCSD Contribution | 145,572 92           | 153,020 83           | 48,072 92           | 173,333 33           | 520,000 00           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461.94         | 1,080,678 96         | 339,108 68          | 1,224,075.90         | 3,671,325 48         |
|  | <u>1,190,813 41</u>  | <u>1,252,387 94</u>  | <u>393,052 66</u>   | <u>1,418,578.11</u>  | <u>4,254,832 12</u>  |
| <b>Delivery Date Expenses</b>                  |                      |                      |                     |                      |                      |
| Cost of Issuance                               | 116,733 98           | 122,747 35           | 38,529 04           | 138,989 63           | 417,000 00           |
| Underwriter's Discount                         | 110,858 45           | 116,569 17           | 36,589 77           | 131,993 95           | 396,011 34           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 156,854 42           | 164,934 55           | 51,771 12           | 186,759 23           | 560,319 32           |
| SIDA Fee (\$5 per Bond)                        | 94,150 00            | 99,000 00            | 31,075 00           | 112,100 00           | 336,325 00           |
|  | <u>478,596 85</u>    | <u>503,251 07</u>    | <u>157,964.93</u>   | <u>569,842 81</u>    | <u>1,709,655 66</u>  |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806 73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |

SPREAD TO MUNICIPAL GRADE YIELD  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Component    | Maturity Date | Rate   | Yield  | May Interpolated MMD* | Credit Spread |
|--------------|---------------|--------|--------|-----------------------|---------------|
| Serial Bond: | 05/01/2020    | 5 000% | 1 500% | 1 540%                | -0 040%       |
|              | 05/01/2021    | 5 000% | 1 690% | 1 690%                |               |
|              | 05/01/2022    | 5 000% | 1 890% | 1 840%                | 0 050%        |
|              | 05/01/2023    | 5 000% | 2 010% | 1 990%                | 0 020%        |
|              | 05/01/2024    | 5 000% | 2 090% | 2 100%                | -0 010%       |
|              | 05/01/2025    | 5 000% | 2 240% | 2 220%                | 0 020%        |
|              | 05/01/2026    | 5 000% | 2 330% | 2 330%                |               |
|              | 05/01/2027    | 5 000% | 2 470% | 2 420%                | 0 050%        |
|              | 05/01/2028    | 5 000% | 2 540% | 2 490%                | 0 050%        |
|              | 05/01/2029    | 5 000% | 2 650% | 2 560%                | 0 090%        |
|              | 05/01/2030    | 5 000% | 2 740% | 2 620%                | 0 120%        |
|              | 05/01/2031    | 5 000% | 2 790% | 2 670%                | 0 120%        |
|              | 05/01/2032    | 5 000% | 2 820% | 2 710%                | 0 110%        |
|              | 05/01/2033    | 5 000% | 2 870% | 2 760%                | 0 110%        |
|              | 05/01/2034    | 3 250% | 3 350% | 2 810%                | 0 540%        |

Note \* MMD as of Close of Business on February 28, 2018

BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |         |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5.000% | 1.500% | 107.300 |                   |            |            | 225,570.00          | 2.750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5.000% | 1.690% | 110.040 |                   |            |            | 326,300.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5.000% | 1.890% | 112.291 |                   |            |            | 419,737.65          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 520,406.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 628,650.75          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 718,014.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 819,947.10          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5.000% | 2.470% | 118.524 | 2.697%            | 05/01/2026 | 100.000    | 812,277.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5.000% | 2.540% | 117.959 | 2.937%            | 05/01/2026 | 100.000    | 827,909.90          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5.000% | 2.650% | 117.079 | 3.167%            | 05/01/2026 | 100.000    | 827,477.55          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5.000% | 2.740% | 116.364 | 3.347%            | 05/01/2026 | 100.000    | 833,745.80          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5.000% | 2.790% | 115.969 | 3.474%            | 05/01/2026 | 100.000    | 855,139.95          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5.000% | 2.820% | 115.732 | 3.572%            | 05/01/2026 | 100.000    | 885,711.60          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5.000% | 2.870% | 115.340 | 3.669%            | 05/01/2026 | 100.000    | 908,128.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -76,507.65          | 2.750    |
|                |               |           | 67,265,000 |        |        |         |                   |            |            | 9,532,508.65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000.00 |             |
| Premium                | 9,532,508.65  |             |
| Production             | 76,797,508.65 | 114.171573% |
| Underwriter's Discount | -396,011.34   | -0.588733%  |
| Purchase Price         | 76,401,497.31 | 113.582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497.31 |             |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  |
|---------------|------------|--------|---------------|---------------|
| 11/01/2018    |            |        | 2,043,644 23  | 2,043,644 23  |
| 11/01/2019    |            |        | 3,255,362 50  | 3,255,362 50  |
| 11/01/2020    | 3,090,000  | 5 000% | 3,178,112 50  | 6,268,112 50  |
| 11/01/2021    | 3,250,000  | 5 000% | 3,019,612 50  | 6,269,612 50  |
| 11/01/2022    | 3,415,000  | 5 000% | 2,852,987 50  | 6,267,987 50  |
| 11/01/2023    | 3,590,000  | 5 000% | 2,677,862 50  | 6,267,862 50  |
| 11/01/2024    | 3,775,000  | 5 000% | 2,493,737 50  | 6,268,737 50  |
| 11/01/2025    | 3,970,000  | 5 000% | 2,300,112 50  | 6,270,112 50  |
| 11/01/2026    | 4,170,000  | 5 000% | 2,096,612 50  | 6,266,612 50  |
| 11/01/2027    | 4,385,000  | 5 000% | 1,882,737 50  | 6,267,737 50  |
| 11/01/2028    | 4,610,000  | 5 000% | 1,657,862 50  | 6,267,862 50  |
| 11/01/2029    | 4,845,000  | 5 000% | 1,421,487 50  | 6,266,487 50  |
| 11/01/2030    | 5,095,000  | 5 000% | 1,172,987 50  | 6,267,987 50  |
| 11/01/2031    | 5,355,000  | 5 000% | 911,737 50    | 6,266,737 50  |
| 11/01/2032    | 5,630,000  | 5 000% | 637,112 50    | 6,267,112 50  |
| 11/01/2033    | 5,920,000  | 5.000% | 348,362.50    | 6,268,362 50  |
| 11/01/2034    | 6,165,000  | 3 250% | 100,181 25    | 6,265,181 25  |
|               | 67,265,000 |        | 32,050,512 98 | 99,315,512 98 |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  | 2,043,644.23        |
| 05/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  |                     |
| 11/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  | 3,255,362.50        |
| 05/01/2020    | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25  |                     |
| 11/01/2020    |            |        | 1,550,431.25  | 1,550,431.25  | 6,268,112.50        |
| 05/01/2021    | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25  |                     |
| 11/01/2021    |            |        | 1,469,181.25  | 1,469,181.25  | 6,269,612.50        |
| 05/01/2022    | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25  |                     |
| 11/01/2022    |            |        | 1,383,806.25  | 1,383,806.25  | 6,267,987.50        |
| 05/01/2023    | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25  |                     |
| 11/01/2023    |            |        | 1,294,056.25  | 1,294,056.25  | 6,267,862.50        |
| 05/01/2024    | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25  |                     |
| 11/01/2024    |            |        | 1,199,681.25  | 1,199,681.25  | 6,268,737.50        |
| 05/01/2025    | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25  |                     |
| 11/01/2025    |            |        | 1,100,431.25  | 1,100,431.25  | 6,270,112.50        |
| 05/01/2026    | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25  |                     |
| 11/01/2026    |            |        | 996,181.25    | 996,181.25    | 6,266,612.50        |
| 05/01/2027    | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25  |                     |
| 11/01/2027    |            |        | 886,556.25    | 886,556.25    | 6,267,737.50        |
| 05/01/2028    | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25  |                     |
| 11/01/2028    |            |        | 771,306.25    | 771,306.25    | 6,267,862.50        |
| 05/01/2029    | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25  |                     |
| 11/01/2029    |            |        | 650,181.25    | 650,181.25    | 6,266,487.50        |
| 05/01/2030    | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25  |                     |
| 11/01/2030    |            |        | 522,806.25    | 522,806.25    | 6,267,987.50        |
| 05/01/2031    | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25  |                     |
| 11/01/2031    |            |        | 388,931.25    | 388,931.25    | 6,266,737.50        |
| 05/01/2032    | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25  |                     |
| 11/01/2032    |            |        | 248,181.25    | 248,181.25    | 6,267,112.50        |
| 05/01/2033    | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25  |                     |
| 11/01/2033    |            |        | 100,181.25    | 100,181.25    | 6,268,362.50        |
| 05/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |                     |
| 11/01/2034    |            |        |               |               | 6,265,181.25        |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 | 99,315,512.98       |



## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Period<br>Ending | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service |
|------------------|------------|--------|---------------|-----------------------|---|---------------------|
| 11/01/2018       |            |        | 2,043,644 23  | 2,043,644 23          | 2,043,644 23  |                     |
| 11/01/2019       |            |        | 3,255,362.50  | 3,255,362.50          | 1,627,681 25  | 1,627,681 25        |
| 11/01/2020       | 3,090,000  | 5 000% | 3,178,112 50  | 6,268,112 50          |   | 6,268,112 50        |
| 11/01/2021       | 3,250,000  | 5 000% | 3,019,612 50  | 6,269,612 50          |   | 6,269,612 50        |
| 11/01/2022       | 3,415,000  | 5 000% | 2,852,987 50  | 6,267,987 50          |   | 6,267,987 50        |
| 11/01/2023       | 3,590,000  | 5 000% | 2,677,862 50  | 6,267,862 50          |   | 6,267,862 50        |
| 11/01/2024       | 3,775,000  | 5 000% | 2,493,737 50  | 6,268,737 50          |   | 6,268,737 50        |
| 11/01/2025       | 3,970,000  | 5 000% | 2,300,112 50  | 6,270,112.50          |   | 6,270,112 50        |
| 11/01/2026       | 4,170,000  | 5 000% | 2,096,612.50  | 6,266,612 50          |   | 6,266,612 50        |
| 11/01/2027       | 4,385,000  | 5.000% | 1,882,737 50  | 6,267,737 50          |   | 6,267,737 50        |
| 11/01/2028       | 4,610,000  | 5 000% | 1,657,862 50  | 6,267,862 50          |   | 6,267,862 50        |
| 11/01/2029       | 4,845,000  | 5 000% | 1,421,487 50  | 6,266,487 50          |   | 6,266,487 50        |
| 11/01/2030       | 5,095,000  | 5 000% | 1,172,987 50  | 6,267,987 50          |   | 6,267,987 50        |
| 11/01/2031       | 5,355,000  | 5.000% | 911,737 50    | 6,266,737 50          |   | 6,266,737 50        |
| 11/01/2032       | 5,630,000  | 5 000% | 637,112 50    | 6,267,112 50          |   | 6,267,112 50        |
| 11/01/2033       | 5,920,000  | 5.000% | 348,362 50    | 6,268,362 50          |   | 6,268,362 50        |
| 11/01/2034       | 6,165,000  | 3 250% | 100,181 25    | 6,265,181.25          |   | 6,265,181 25        |
|                  | 67,265,000 |        | 32,050,512 98 | 99,315,512 98         | 3,671,325 48  | 95,644,187 50       |

NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Principal  | Coupon | Interest      | Total Debt Service | Capitalized Interest Fund (through 5/1/2019) | Net Debt Service | Annual Net D/S |
|------------|------------|--------|---------------|--------------------|--|------------------|----------------|
| 11/01/2018 |            |        | 2,043,644.23  | 2,043,644.23       | 2,043,644.23                                 |                  |                |
| 05/01/2019 |            |        | 1,627,681.25  | 1,627,681.25       | 1,627,681.25                                 |                  |                |
| 11/01/2019 |            |        | 1,627,681.25  | 1,627,681.25       |  | 1,627,681.25     | 1,627,681.25   |
| 05/01/2020 | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25       |  | 4,717,681.25     |                |
| 11/01/2020 |            |        | 1,550,431.25  | 1,550,431.25       |  | 1,550,431.25     | 6,268,112.50   |
| 05/01/2021 | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25       |  | 4,800,431.25     |                |
| 11/01/2021 |            |        | 1,469,181.25  | 1,469,181.25       |  | 1,469,181.25     | 6,269,612.50   |
| 05/01/2022 | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25       |  | 4,884,181.25     |                |
| 11/01/2022 |            |        | 1,383,806.25  | 1,383,806.25       |  | 1,383,806.25     | 6,267,987.50   |
| 05/01/2023 | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25       |  | 4,973,806.25     |                |
| 11/01/2023 |            |        | 1,294,056.25  | 1,294,056.25       |  | 1,294,056.25     | 6,267,862.50   |
| 05/01/2024 | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25       |  | 5,069,056.25     |                |
| 11/01/2024 |            |        | 1,199,681.25  | 1,199,681.25       |  | 1,199,681.25     | 6,268,737.50   |
| 05/01/2025 | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25       |  | 5,169,681.25     |                |
| 11/01/2025 |            |        | 1,100,431.25  | 1,100,431.25       |  | 1,100,431.25     | 6,270,112.50   |
| 05/01/2026 | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25       |  | 5,270,431.25     |                |
| 11/01/2026 |            |        | 996,181.25    | 996,181.25         |  | 996,181.25       | 6,266,612.50   |
| 05/01/2027 | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25       |  | 5,381,181.25     |                |
| 11/01/2027 |            |        | 886,556.25    | 886,556.25         |  | 886,556.25       | 6,267,737.50   |
| 05/01/2028 | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25       |  | 5,496,556.25     |                |
| 11/01/2028 |            |        | 771,306.25    | 771,306.25         |  | 771,306.25       | 6,267,862.50   |
| 05/01/2029 | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25       |  | 5,616,306.25     |                |
| 11/01/2029 |            |        | 650,181.25    | 650,181.25         |  | 650,181.25       | 6,266,487.50   |
| 05/01/2030 | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25       |  | 5,745,181.25     |                |
| 11/01/2030 |            |        | 522,806.25    | 522,806.25         |  | 522,806.25       | 6,267,987.50   |
| 05/01/2031 | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25       |  | 5,877,806.25     |                |
| 11/01/2031 |            |        | 388,931.25    | 388,931.25         |  | 388,931.25       | 6,266,737.50   |
| 05/01/2032 | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25       |  | 6,018,931.25     |                |
| 11/01/2032 |            |        | 248,181.25    | 248,181.25         |  | 248,181.25       | 6,267,112.50   |
| 05/01/2033 | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25       |  | 6,168,181.25     |                |
| 11/01/2033 |            |        | 100,181.25    | 100,181.25         |  | 100,181.25       | 6,268,362.50   |
| 05/01/2034 | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25       |  | 6,265,181.25     |                |
| 11/01/2034 |            |        |               |                    |  |                  | 6,265,181.25   |
|            | 67,265,000 |        | 32,050,512.98 | 99,315,512.98      | 3,671,325.48                                 | 95,644,187.50    | 95,644,187.50  |

BOND SUMMARY STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132024%     |
| Net Interest Cost (NIC)           | 3.390600%     |
| All-In TIC                        | 3.349673%     |
| Average Coupon                    | 4.742533%     |
| Average Life (years)              | 10.047        |
| Weighted Average Maturity (years) | 10.010        |
| Duration of Issue (years)         | 8.120         |
| Par Amount                        | 67,265,000.00 |
| Bond Proceeds                     | 76,797,508.65 |
| Total Interest                    | 32,050,512.98 |
| Net Interest                      | 22,914,015.67 |
| Total Debt Service                | 99,315,512.98 |
| Maximum Annual Debt Service       | 6,270,112.50  |
| Average Annual Debt Service       | 6,158,040.76  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.582840    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 67,265,000.00 | 114.172 | 4.743%         | 10.047       | 49,660.30         |
|                | 67,265,000.00 |         |                | 10.047       | 49,660.30         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 67,265,000.00 | 67,265,000.00 | 67,265,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 9,532,508.65  | 9,532,508.65  | 9,532,508.65    |
| - Underwriter's Discount   | -396,011.34   | -396,011.34   |                 |
| - Cost of Issuance Expense |               | -417,000.00   |                 |
| - Other Amounts            |               | -896,644.32   |                 |
| Target Value               | 76,401,497.31 | 75,087,852.99 | 76,797,508.65   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132024%     | 3.349673%     | 2.644747%       |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV<br>Factor | Present Value<br>to 03/15/2018<br>@ 2.6447472168% |
|------------|---------------|---------------|--------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971  | 2,010,212.19                                      |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324  | 1,580,158.37                                      |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223  | 1,559,535.48                                      |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481  | 4,461,173.76                                      |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941  | 1,446,997.24                                      |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472  | 4,421,708.29                                      |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972  | 1,335,610.60                                      |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367  | 4,382,186.89                                      |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608  | 1,225,375.11                                      |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676  | 4,346,876.25                                      |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574  | 1,116,185.08                                      |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336  | 4,315,238.60                                      |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017  | 1,007,948.21                                      |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700  | 4,286,775.69                                      |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494  | 900,584.68  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530  | 33,205,369.32                                     |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965  | 79,861.48   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979  | 78,819.20   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777  | 77,790.52   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588  | 76,775.26   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661  | 75,773.26   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270  | 74,784.33   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713  | 73,808.31   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307  | 72,845.02   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394  | 71,894.31   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334  | 70,956.01   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513  | 70,029.95   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334  | 69,115.98   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223  | 68,213.94   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626  | 67,323.67   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009  | 66,445.01   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859  | 4,101,136.64                                      |
|            | 91,789,762.98 | 91,789,762.98 |              | 76,797,508.65                                     |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5 000% | 2 470% | 05/01/2026 | 100 000    | 2 4698367%             |
| SERIAL         | 05/01/2028    | 5 000% | 2 540% | 05/01/2026 | 100 000    | 2 5398721%             |
| SERIAL         | 05/01/2029    | 5 000% | 2 650% | 05/01/2026 | 100 000    | 2 6497442%             |
| SERIAL         | 05/01/2030    | 5 000% | 2 740% | 05/01/2026 | 100 000    | 2 7397341%             |
| SERIAL         | 05/01/2031    | 5 000% | 2 790% | 05/01/2026 | 100 000    | 2 7897287%             |
| SERIAL         | 05/01/2032    | 5 000% | 2 820% | 05/01/2026 | 100 000    | 2 8198220%             |
| SERIAL         | 05/01/2033    | 5 000% | 2 870% | 05/01/2026 | 100 000    | 2 8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5 000% | 2 470% |           |            | 2 6963777%             | 0 2265411%        |
| SERIAL         | 05/01/2028    | 5 000% | 2 540% |           |            | 2 9364737%             | 0 3966016%        |
| SERIAL         | 05/01/2029    | 5 000% | 2 650% |           |            | 3 1663014%             | 0 5165572%        |
| SERIAL         | 05/01/2030    | 5 000% | 2 740% |           |            | 3 3466397%             | 0 6069056%        |
| SERIAL         | 05/01/2031    | 5 000% | 2 790% |           |            | 3 4741604%             | 0 6844317%        |
| SERIAL         | 05/01/2032    | 5 000% | 2 820% |           |            | 3 5716360%             | 0 7518140%        |
| SERIAL         | 05/01/2033    | 5 000% | 2 870% |           |            | 3 6689980%             | 0 7992417%        |

## AVERAGE TAKEDOWN

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Maturity Date | Par Amount | Takedown \$/Bond | Takedown Amount |
|----------------|---------------|------------|------------------|-----------------|
| Serial Bond    |               |            |                  |                 |
|                | 05/01/2020    | 3,090,000  | 2.7500           | 8,497.50        |
|                | 05/01/2021    | 3,250,000  | 2.7500           | 8,937.50        |
|                | 05/01/2022    | 3,415,000  | 2.7500           | 9,391.25        |
|                | 05/01/2023    | 3,590,000  | 2.7500           | 9,872.50        |
|                | 05/01/2024    | 3,775,000  | 2.7500           | 10,381.25       |
|                | 05/01/2025    | 3,970,000  | 2.7500           | 10,917.50       |
|                | 05/01/2026    | 4,170,000  | 2.7500           | 11,467.50       |
|                | 05/01/2027    | 4,385,000  | 2.7500           | 12,058.75       |
|                | 05/01/2028    | 4,610,000  | 2.7500           | 12,677.50       |
|                | 05/01/2029    | 4,845,000  | 2.7500           | 13,323.75       |
|                | 05/01/2030    | 5,095,000  | 2.7500           | 14,011.25       |
|                | 05/01/2031    | 5,355,000  | 2.7500           | 14,726.25       |
|                | 05/01/2032    | 5,630,000  | 2.7500           | 15,482.50       |
|                | 05/01/2033    | 5,920,000  | 2.7500           | 16,280.00       |
|                | 05/01/2034    | 6,165,000  | 2.7500           | 16,953.75       |
|                |               | 67,265,000 | 2.7500           | 184,978.75      |

## UNDERWRITER'S DISCOUNT

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Underwriter's Discount | \$/1000 | Amount     |
|------------------------|---------|------------|
| Average Takedown       | 2.75000 | 184,978.75 |
| Structuring            | 2.00000 | 134,530.00 |
| Underwriter's Counsel  | 1.00000 | 67,265.00  |
| Ipreo Book Running     | 0.06728 | 4,525.91   |
| Ipreo Order Monitor    | 0.03266 | 2,197.04   |
| Ipreo Wire Charges     | 0.00267 | 179.64     |
| DTC Charges            | 0.01189 | 800.00     |
| CUSIP                  | 0.00743 | 500.00     |
| CUSIP Disclosure Fee   | 0.00052 | 35.00      |
| Miscellaneous          | 0.01487 | 1,000.00   |
|                        | 5.88733 | 396,011.34 |

## COST OF ISSUANCE

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Cost of Issuance                             | \$/1000 | Amount     |
|--|---------|------------|
| Barclay Damon(Bond Counsel)                  | 1 85832 | 125,000 00 |
| Trespasz & Marquardt (SJSCB's Counsel)       | 0 96633 | 65,000.00  |
| Trustee (M&T)                                | 0 08177 | 5,500 00   |
| Trustee's Counsel (Hodgson Russ)             | 0.11893 | 8,000 00   |
| Bonadio (Auditor)                            | 0.08920 | 6,000 00   |
| Financial Advisor (Capital Markets Advisors) | 0 89199 | 60,000.00  |
| Moody's                                      | 0.63926 | 43,000 00  |
| S&P Global                                   | 0 53520 | 36,000 00  |
| Fitch Ratings                                | 0 59466 | 40,000 00  |
| MBBA   | 0 14867 | 10,000 00  |
| MBBA's Financial Advisor                     | 0.14867 | 10,000 00  |
| Printer (ImageMaster)                        | 0 07433 | 5,000 00   |
| Miscellaneous                                | 0 05203 | 3,500 00   |
|  | 6 19936 | 417,000 00 |



## SOURCES AND USES OF FUNDS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds.                                |                      |
| Par Amount                                    | 18,830,000 00        |
| Net Premium                                   | <u>2,665,170 45</u>  |
|   | 21,495,170 45        |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 17,778.55            |
| SCSD Contribution for BAN Principal Repayment | <u>145,572 92</u>    |
|   | 163,351 47           |
|   | <u>21,658,521.92</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12         |
| Deposit to Series 2018A Project Account        | <u>17,912,617 54</u> |
|  | 19,989,111 66        |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55            |
| BAN Principal Repayment from SCSD Contribution | 145,572 92           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,027,461 94</u>  |
|  | 1,190,813 41         |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 116,733 98           |
| Underwriter's Discount                         | 110,858 45           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854 42           |
| SIDA Fee (\$5 per Bond)                        | <u>94,150 00</u>     |
|  | 478,596 85           |
|  | <u>21,658,521 92</u> |

BOND PRICING

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |         |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 865,000    | 5.000% | 1.500% | 107.300 |                   |            |            | 63,145.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 915,000    | 5.000% | 1.690% | 110.040 |                   |            |            | 91,866.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 960,000    | 5.000% | 1.890% | 112.291 |                   |            |            | 117,993.60          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,000,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 144,960.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,060,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 176,521.80          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,100,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 198,946.00          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,155,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 227,107.65          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,240,000  | 5.000% | 2.470% | 118.524 | 2.697%            | 05/01/2026 | 100.000    | 229,697.60          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,275,000  | 5.000% | 2.540% | 117.959 | 2.937%            | 05/01/2026 | 100.000    | 228,977.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,355,000  | 5.000% | 2.650% | 117.079 | 3.167%            | 05/01/2026 | 100.000    | 231,420.45          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,440,000  | 5.000% | 2.740% | 116.364 | 3.347%            | 05/01/2026 | 100.000    | 235,641.60          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,510,000  | 5.000% | 2.790% | 115.969 | 3.474%            | 05/01/2026 | 100.000    | 241,131.90          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,575,000  | 5.000% | 2.820% | 115.732 | 3.572%            | 05/01/2026 | 100.000    | 247,779.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,640,000  | 5.000% | 2.870% | 115.340 | 3.669%            | 05/01/2026 | 100.000    | 251,576.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,740,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -21,593.40          | 2.750    |
|                |               |           | 18,830,000 |        |        |         |                   |            |            | 2,665,170.45        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 18,830,000.00 |             |
| Premium                | 2,665,170.45  |             |
| Production             | 21,495,170.45 | 114.153853% |
| Underwriter's Discount | -110,858.45   | -0.588733%  |
| Purchase Price         | 21,384,312.00 | 113.565119% |
| Accrued Interest       |               |             |
| Net Proceeds           | 21,384,312.00 |             |

## BOND DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest     | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|--------------|---------------|------------------------|
| 11/01/2018       |            |        | 571,936.94   | 571,936.94    | 571,936.94             |
| 05/01/2019       |            |        | 455,525.00   | 455,525.00    |                        |
| 11/01/2019       |            |        | 455,525.00   | 455,525.00    | 911,050.00             |
| 05/01/2020       | 865,000    | 5.000% | 455,525.00   | 1,320,525.00  |                        |
| 11/01/2020       |            |        | 433,900.00   | 433,900.00    | 1,754,425.00           |
| 05/01/2021       | 915,000    | 5.000% | 433,900.00   | 1,348,900.00  |                        |
| 11/01/2021       |            |        | 411,025.00   | 411,025.00    | 1,759,925.00           |
| 05/01/2022       | 960,000    | 5.000% | 411,025.00   | 1,371,025.00  |                        |
| 11/01/2022       |            |        | 387,025.00   | 387,025.00    | 1,758,050.00           |
| 05/01/2023       | 1,000,000  | 5.000% | 387,025.00   | 1,387,025.00  |                        |
| 11/01/2023       |            |        | 362,025.00   | 362,025.00    | 1,749,050.00           |
| 05/01/2024       | 1,060,000  | 5.000% | 362,025.00   | 1,422,025.00  |                        |
| 11/01/2024       |            |        | 335,525.00   | 335,525.00    | 1,757,550.00           |
| 05/01/2025       | 1,100,000  | 5.000% | 335,525.00   | 1,435,525.00  |                        |
| 11/01/2025       |            |        | 308,025.00   | 308,025.00    | 1,743,550.00           |
| 05/01/2026       | 1,155,000  | 5.000% | 308,025.00   | 1,463,025.00  |                        |
| 11/01/2026       |            |        | 279,150.00   | 279,150.00    | 1,742,175.00           |
| 05/01/2027       | 1,240,000  | 5.000% | 279,150.00   | 1,519,150.00  |                        |
| 11/01/2027       |            |        | 248,150.00   | 248,150.00    | 1,767,300.00           |
| 05/01/2028       | 1,275,000  | 5.000% | 248,150.00   | 1,523,150.00  |                        |
| 11/01/2028       |            |        | 216,275.00   | 216,275.00    | 1,739,425.00           |
| 05/01/2029       | 1,355,000  | 5.000% | 216,275.00   | 1,571,275.00  |                        |
| 11/01/2029       |            |        | 182,400.00   | 182,400.00    | 1,753,675.00           |
| 05/01/2030       | 1,440,000  | 5.000% | 182,400.00   | 1,622,400.00  |                        |
| 11/01/2030       |            |        | 146,400.00   | 146,400.00    | 1,768,800.00           |
| 05/01/2031       | 1,510,000  | 5.000% | 146,400.00   | 1,656,400.00  |                        |
| 11/01/2031       |            |        | 108,650.00   | 108,650.00    | 1,765,050.00           |
| 05/01/2032       | 1,575,000  | 5.000% | 108,650.00   | 1,683,650.00  |                        |
| 11/01/2032       |            |        | 69,275.00    | 69,275.00     | 1,752,925.00           |
| 05/01/2033       | 1,640,000  | 5.000% | 69,275.00    | 1,709,275.00  |                        |
| 11/01/2033       |            |        | 28,275.00    | 28,275.00     | 1,737,550.00           |
| 05/01/2034       | 1,740,000  | 3.250% | 28,275.00    | 1,768,275.00  |                        |
| 11/01/2034       |            |        |              |               | 1,768,275.00           |
|                  | 18,830,000 |        | 8,970,711.94 | 27,800,711.94 | 27,800,711.94          |

## NET DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 571,936.94   | 571,936.94            | 571,936.94  |                     |                   |
| 05/01/2019 |            |        | 455,525.00   | 455,525.00            | 455,525.00  |                     |                   |
| 11/01/2019 |            |        | 455,525.00   | 455,525.00            |   | 455,525             | 455,525           |
| 05/01/2020 | 865,000    | 5.000% | 455,525.00   | 1,320,525.00          |   | 1,320,525           |                   |
| 11/01/2020 |            |        | 433,900.00   | 433,900.00            |   | 433,900             | 1,754,425         |
| 05/01/2021 | 915,000    | 5.000% | 433,900.00   | 1,348,900.00          |   | 1,348,900           |                   |
| 11/01/2021 |            |        | 411,025.00   | 411,025.00            |   | 411,025             | 1,759,925         |
| 05/01/2022 | 960,000    | 5.000% | 411,025.00   | 1,371,025.00          |   | 1,371,025           |                   |
| 11/01/2022 |            |        | 387,025.00   | 387,025.00            |   | 387,025             | 1,758,050         |
| 05/01/2023 | 1,000,000  | 5.000% | 387,025.00   | 1,387,025.00          |   | 1,387,025           |                   |
| 11/01/2023 |            |        | 362,025.00   | 362,025.00            |   | 362,025             | 1,749,050         |
| 05/01/2024 | 1,060,000  | 5.000% | 362,025.00   | 1,422,025.00          |   | 1,422,025           |                   |
| 11/01/2024 |            |        | 335,525.00   | 335,525.00            |   | 335,525             | 1,757,550         |
| 05/01/2025 | 1,100,000  | 5.000% | 335,525.00   | 1,435,525.00          |   | 1,435,525           |                   |
| 11/01/2025 |            |        | 308,025.00   | 308,025.00            |   | 308,025             | 1,743,550         |
| 05/01/2026 | 1,155,000  | 5.000% | 308,025.00   | 1,463,025.00          |   | 1,463,025           |                   |
| 11/01/2026 |            |        | 279,150.00   | 279,150.00            |   | 279,150             | 1,742,175         |
| 05/01/2027 | 1,240,000  | 5.000% | 279,150.00   | 1,519,150.00          |   | 1,519,150           |                   |
| 11/01/2027 |            |        | 248,150.00   | 248,150.00            |   | 248,150             | 1,767,300         |
| 05/01/2028 | 1,275,000  | 5.000% | 248,150.00   | 1,523,150.00          |   | 1,523,150           |                   |
| 11/01/2028 |            |        | 216,275.00   | 216,275.00            |   | 216,275             | 1,739,425         |
| 05/01/2029 | 1,355,000  | 5.000% | 216,275.00   | 1,571,275.00          |   | 1,571,275           |                   |
| 11/01/2029 |            |        | 182,400.00   | 182,400.00            |   | 182,400             | 1,753,675         |
| 05/01/2030 | 1,440,000  | 5.000% | 182,400.00   | 1,622,400.00          |   | 1,622,400           |                   |
| 11/01/2030 |            |        | 146,400.00   | 146,400.00            |   | 146,400             | 1,768,800         |
| 05/01/2031 | 1,510,000  | 5.000% | 146,400.00   | 1,656,400.00          |   | 1,656,400           |                   |
| 11/01/2031 |            |        | 108,650.00   | 108,650.00            |   | 108,650             | 1,765,050         |
| 05/01/2032 | 1,575,000  | 5.000% | 108,650.00   | 1,683,650.00          |   | 1,683,650           |                   |
| 11/01/2032 |            |        | 69,275.00    | 69,275.00             |   | 69,275              | 1,752,925         |
| 05/01/2033 | 1,640,000  | 5.000% | 69,275.00    | 1,709,275.00          |   | 1,709,275           |                   |
| 11/01/2033 |            |        | 28,275.00    | 28,275.00             |   | 28,275              | 1,737,550         |
| 05/01/2034 | 1,740,000  | 3.250% | 28,275.00    | 1,768,275.00          |   | 1,768,275           |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,768,275         |
|            | 18,830,000 |        | 8,970,711.94 | 27,800,711.94         | 1,027,461.94  | 26,773,250          | 26,773,250        |

## BOND SUMMARY STATISTICS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132505%     |
| Net Interest Cost (NIC)           | 3.390686%     |
| All-In TIC                        | 3.350144%     |
| Average Coupon                    | 4.740488%     |
| Average Life (years)              | 10.050        |
| Weighted Average Maturity (years) | 10.012        |
| Duration of Issue (years)         | 8.121         |
| Par Amount                        | 18,830,000.00 |
| Bond Proceeds                     | 21,495,170.45 |
| Total Interest                    | 8,970,711.94  |
| Net Interest                      | 6,416,399.94  |
| Total Debt Service                | 27,800,711.94 |
| Maximum Annual Debt Service       | 1,768,800.00  |
| Average Annual Debt Service       | 1,723,778.21  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.565119    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 18,830,000.00 | 114.154 | 4.740%         | 10.050       | 13,905.75         |
|                | 18,830,000.00 |         |                | 10.050       | 13,905.75         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 18,830,000.00 | 18,830,000.00 | 18,830,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,665,170.45  | 2,665,170.45  | 2,665,170.45    |
| - Underwriter's Discount   | -110,858.45   | -110,858.45   |                 |
| - Cost of Issuance Expense |               | -116,733.98   |                 |
| - Other Amounts            |               | -251,004.42   |                 |
| Target Value               | 21,384,312.00 | 21,016,573.60 | 21,495,170.45   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132505%     | 3.350144%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |               |
|---|---------------|
| <hr/>   |               |
| Bond Proceeds                                 |               |
| Par Amount                                    | 19,800,000 00 |
| Net Premium                                   | 2,808,185 95  |
|   | <hr/>         |
|   | 22,608,185 95 |
| <br>  |               |
| Other Sources of Funds                        |               |
| SCSD Contribution for BAN Interest Repayment  | 18,688 15     |
| SCSD Contribution for BAN Principal Repayment | 153,020 83    |
|   | <hr/>         |
|   | 171,708 98    |
|   | <br>          |
|   | <hr/>         |
|   | 22,779,894 93 |
|   | <hr/> <hr/>   |

## Uses

|  |               |
|--|---------------|
| <hr/>  |               |
| Project Fund Deposits                          |               |
| BAN Principal Repayment from Bond Proceeds     | 2,182,733.36  |
| Deposit to Series 2018A Project Account        | 18,841,522 56 |
|  | <hr/>         |
|  | 21,024,255 92 |
| <br>   |               |
| Other Fund Deposits                            |               |
| BAN Interest Repayment from SCSD Contribution  | 18,688 15     |
| BAN Principal Repayment from SCSD Contribution | 153,020 83    |
| Capitalized Interest Fund (through 5/1/2019)   | 1,080,678.96  |
|  | <hr/>         |
|  | 1,252,387 94  |
| <br>   |               |
| Delivery Date Expenses                         |               |
| Cost of Issuance                               | 122,747 35    |
| Underwriter's Discount                         | 116,569 17    |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 164,934 55    |
| SIDA Fee (\$5 per Bond)                        | 99,000 00     |
|  | <hr/>         |
|  | 503,251 07    |
|  | <br>          |
|  | <hr/>         |
|  | 22,779,894 93 |
|  | <hr/> <hr/>   |

BOND PRICING

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 900,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 65,700.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 950,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 95,380.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 995,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 122,295.45          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,065,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 154,382.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,100,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 183,183.00          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,170,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 211,606.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,240,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 243,821.20          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,285,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 238,033.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,375,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 246,936.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,440,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 245,937.60          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,510,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 247,096.40          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,560,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 249,116.40          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,640,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 258,004.80          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,755,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 269,217.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,815,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -22,524.15          | 2.750    |
|                |               |           | 19,800,000 |        |        |           |                   |            |            | 2,808,185.95        |          |

Dated Date 03/15/2018  
 Delivery Date 03/15/2018  
 First Coupon 11/01/2018

Par Amount 19,800,000.00  
 Premium 2,808,185.95

Production 22,608,185.95 114.182757%  
 Underwriter's Discount -116,569.17 -0.588733%

Purchase Price 22,491,616.78 113.594024%  
 Accrued Interest

Net Proceeds 22,491,616.78

## BOND DEBT SERVICE

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|------------|--------|--------------|---------------|---------------------|
| 11/01/2018    |            |        | 601,560.21   | 601,560.21    | 601,560.21          |
| 05/01/2019    |            |        | 479,118.75   | 479,118.75    |                     |
| 11/01/2019    |            |        | 479,118.75   | 479,118.75    | 958,237.50          |
| 05/01/2020    | 900,000    | 5.000% | 479,118.75   | 1,379,118.75  |                     |
| 11/01/2020    |            |        | 456,618.75   | 456,618.75    | 1,835,737.50        |
| 05/01/2021    | 950,000    | 5.000% | 456,618.75   | 1,406,618.75  |                     |
| 11/01/2021    |            |        | 432,868.75   | 432,868.75    | 1,839,487.50        |
| 05/01/2022    | 995,000    | 5.000% | 432,868.75   | 1,427,868.75  |                     |
| 11/01/2022    |            |        | 407,993.75   | 407,993.75    | 1,835,862.50        |
| 05/01/2023    | 1,065,000  | 5.000% | 407,993.75   | 1,472,993.75  |                     |
| 11/01/2023    |            |        | 381,368.75   | 381,368.75    | 1,854,362.50        |
| 05/01/2024    | 1,100,000  | 5.000% | 381,368.75   | 1,481,368.75  |                     |
| 11/01/2024    |            |        | 353,868.75   | 353,868.75    | 1,835,237.50        |
| 05/01/2025    | 1,170,000  | 5.000% | 353,868.75   | 1,523,868.75  |                     |
| 11/01/2025    |            |        | 324,618.75   | 324,618.75    | 1,848,487.50        |
| 05/01/2026    | 1,240,000  | 5.000% | 324,618.75   | 1,564,618.75  |                     |
| 11/01/2026    |            |        | 293,618.75   | 293,618.75    | 1,858,237.50        |
| 05/01/2027    | 1,285,000  | 5.000% | 293,618.75   | 1,578,618.75  |                     |
| 11/01/2027    |            |        | 261,493.75   | 261,493.75    | 1,840,112.50        |
| 05/01/2028    | 1,375,000  | 5.000% | 261,493.75   | 1,636,493.75  |                     |
| 11/01/2028    |            |        | 227,118.75   | 227,118.75    | 1,863,612.50        |
| 05/01/2029    | 1,440,000  | 5.000% | 227,118.75   | 1,667,118.75  |                     |
| 11/01/2029    |            |        | 191,118.75   | 191,118.75    | 1,858,237.50        |
| 05/01/2030    | 1,510,000  | 5.000% | 191,118.75   | 1,701,118.75  |                     |
| 11/01/2030    |            |        | 153,368.75   | 153,368.75    | 1,854,487.50        |
| 05/01/2031    | 1,560,000  | 5.000% | 153,368.75   | 1,713,368.75  |                     |
| 11/01/2031    |            |        | 114,368.75   | 114,368.75    | 1,827,737.50        |
| 05/01/2032    | 1,640,000  | 5.000% | 114,368.75   | 1,754,368.75  |                     |
| 11/01/2032    |            |        | 73,368.75    | 73,368.75     | 1,827,737.50        |
| 05/01/2033    | 1,755,000  | 5.000% | 73,368.75    | 1,828,368.75  |                     |
| 11/01/2033    |            |        | 29,493.75    | 29,493.75     | 1,857,862.50        |
| 05/01/2034    | 1,815,000  | 3.250% | 29,493.75    | 1,844,493.75  |                     |
| 11/01/2034    |            |        |              |               | 1,844,493.75        |
|               | 19,800,000 |        | 9,441,491.46 | 29,241,491.46 | 29,241,491.46       |



## NET DEBT SERVICE

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 601,560.21   | 601,560.21            | 601,560.21  |                     |                   |
| 05/01/2019 |            |        | 479,118.75   | 479,118.75            | 479,118.75  |                     |                   |
| 11/01/2019 |            |        | 479,118.75   | 479,118.75            |   | 479,118.75          | 479,118.75        |
| 05/01/2020 | 900,000    | 5.000% | 479,118.75   | 1,379,118.75          |   | 1,379,118.75        |                   |
| 11/01/2020 |            |        | 456,618.75   | 456,618.75            |   | 456,618.75          | 1,835,737.50      |
| 05/01/2021 | 950,000    | 5.000% | 456,618.75   | 1,406,618.75          |   | 1,406,618.75        |                   |
| 11/01/2021 |            |        | 432,868.75   | 432,868.75            |   | 432,868.75          | 1,839,487.50      |
| 05/01/2022 | 995,000    | 5.000% | 432,868.75   | 1,427,868.75          |   | 1,427,868.75        |                   |
| 11/01/2022 |            |        | 407,993.75   | 407,993.75            |   | 407,993.75          | 1,835,862.50      |
| 05/01/2023 | 1,065,000  | 5.000% | 407,993.75   | 1,472,993.75          |   | 1,472,993.75        |                   |
| 11/01/2023 |            |        | 381,368.75   | 381,368.75            |   | 381,368.75          | 1,854,362.50      |
| 05/01/2024 | 1,100,000  | 5.000% | 381,368.75   | 1,481,368.75          |   | 1,481,368.75        |                   |
| 11/01/2024 |            |        | 353,868.75   | 353,868.75            |   | 353,868.75          | 1,835,237.50      |
| 05/01/2025 | 1,170,000  | 5.000% | 353,868.75   | 1,523,868.75          |   | 1,523,868.75        |                   |
| 11/01/2025 |            |        | 324,618.75   | 324,618.75            |   | 324,618.75          | 1,848,487.50      |
| 05/01/2026 | 1,240,000  | 5.000% | 324,618.75   | 1,564,618.75          |   | 1,564,618.75        |                   |
| 11/01/2026 |            |        | 293,618.75   | 293,618.75            |   | 293,618.75          | 1,858,237.50      |
| 05/01/2027 | 1,285,000  | 5.000% | 293,618.75   | 1,578,618.75          |   | 1,578,618.75        |                   |
| 11/01/2027 |            |        | 261,493.75   | 261,493.75            |   | 261,493.75          | 1,840,112.50      |
| 05/01/2028 | 1,375,000  | 5.000% | 261,493.75   | 1,636,493.75          |   | 1,636,493.75        |                   |
| 11/01/2028 |            |        | 227,118.75   | 227,118.75            |   | 227,118.75          | 1,863,612.50      |
| 05/01/2029 | 1,440,000  | 5.000% | 227,118.75   | 1,667,118.75          |   | 1,667,118.75        |                   |
| 11/01/2029 |            |        | 191,118.75   | 191,118.75            |   | 191,118.75          | 1,858,237.50      |
| 05/01/2030 | 1,510,000  | 5.000% | 191,118.75   | 1,701,118.75          |   | 1,701,118.75        |                   |
| 11/01/2030 |            |        | 153,368.75   | 153,368.75            |   | 153,368.75          | 1,854,487.50      |
| 05/01/2031 | 1,560,000  | 5.000% | 153,368.75   | 1,713,368.75          |   | 1,713,368.75        |                   |
| 11/01/2031 |            |        | 114,368.75   | 114,368.75            |   | 114,368.75          | 1,827,737.50      |
| 05/01/2032 | 1,640,000  | 5.000% | 114,368.75   | 1,754,368.75          |   | 1,754,368.75        |                   |
| 11/01/2032 |            |        | 73,368.75    | 73,368.75             |   | 73,368.75           | 1,827,737.50      |
| 05/01/2033 | 1,755,000  | 5.000% | 73,368.75    | 1,828,368.75          |   | 1,828,368.75        |                   |
| 11/01/2033 |            |        | 29,493.75    | 29,493.75             |   | 29,493.75           | 1,857,862.50      |
| 05/01/2034 | 1,815,000  | 3.250% | 29,493.75    | 1,844,493.75          |   | 1,844,493.75        |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,844,493.75      |
|            | 19,800,000 |        | 9,441,491.46 | 29,241,491.46         | 1,080,678.96  | 28,160,812.50       | 28,160,812.50     |

## BOND SUMMARY STATISTICS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132008%     |
| Net Interest Cost (NIC)           | 3.390619%     |
| All-In TIC                        | 3.349494%     |
| Average Coupon                    | 4.742681%     |
| Average Life (years)              | 10.054        |
| Weighted Average Maturity (years) | 10.016        |
| Duration of Issue (years)         | 8.125         |
| Par Amount                        | 19,800,000.00 |
| Bond Proceeds                     | 22,608,185.95 |
| Total Interest                    | 9,441,491.46  |
| Net Interest                      | 6,749,874.68  |
| Total Debt Service                | 29,241,491.46 |
| Maximum Annual Debt Service       | 1,863,612.50  |
| Average Annual Debt Service       | 1,813,113.49  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137332      |
| Total Underwriter's Discount      | 5.887332      |
| Bid Price                         | 113.594024    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 19,800,000.00 | 114.183 | 4.743%         | 10.054       | 14,630.70         |
|                | 19,800,000.00 |         |                | 10.054       | 14,630.70         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 19,800,000.00 | 19,800,000.00 | 19,800,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,808,185.95  | 2,808,185.95  | 2,808,185.95    |
| - Underwriter's Discount   | -116,569.17   | -116,569.17   |                 |
| - Cost of Issuance Expense |               | -122,747.35   |                 |
| - Other Amounts            |               | -263,934.55   |                 |
| Target Value               | 22,491,616.78 | 22,104,934.88 | 22,608,185.95   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132008%     | 3.349494%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                     |
|---|---------------------|
| Bond Proceeds                                 |                     |
| Par Amount                                    | 6,215,000 00        |
| Net Premium                                   | 880,862 75          |
|   | <u>7,095,862 75</u> |
| Other Sources of Funds                        |                     |
| SCSD Contribution for BAN Interest Repayment  | 5,871 06            |
| SCSD Contribution for BAN Principal Repayment | 48,072 92           |
|   | <u>53,943 98</u>    |
|   | <u>7,149,806 73</u> |

## Uses

|  |                     |
|--|---------------------|
| Project Fund Deposits                          |                     |
| BAN Principal Repayment from Bond Proceeds     | 685,725 79          |
| Deposit to Series 2018A Project Account        | 5,913,063 35        |
|  | <u>6,598,789 14</u> |
| Other Fund Deposits                            |                     |
| BAN Interest Repayment from SCSD Contribution  | 5,871 06            |
| BAN Principal Repayment from SCSD Contribution | 48,072 92           |
| Capitalized Interest Fund (through 5/1/2019)   | 339,108 68          |
|  | <u>393,052 66</u>   |
| Delivery Date Expenses                         |                     |
| Cost of Issuance                               | 38,529 04           |
| Underwriter's Discount                         | 36,589 77           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 51,771 12           |
| SIDA Fee (\$5 per Bond)                        | 31,075 00           |
|  | <u>157,964 93</u>   |
|  | <u>7,149,806 73</u> |

BOND PRICING

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018; Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount    | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|-----------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond.   |               |           |           |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 285,000   | 5 000% | 1 500% | 107 300   |                   |            |            | 20,805 00           | 2 750    |
|                | 05/01/2021    | 871683CV8 | 295,000   | 5 000% | 1 690% | 110 040   |                   |            |            | 29,618 00           | 2 750    |
|                | 05/01/2022    | 871683CW6 | 310,000   | 5.000% | 1 890% | 112.291   |                   |            |            | 38,102 10           | 2 750    |
|                | 05/01/2023    | 871683CX4 | 325,000   | 5 000% | 2 010% | 114.496   |                   |            |            | 47,112 00           | 2 750    |
|                | 05/01/2024    | 871683CY2 | 345,000   | 5 000% | 2 090% | 116 653   |                   |            |            | 57,452 85           | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 365,000   | 5 000% | 2 240% | 118.086   |                   |            |            | 66,013.90           | 2 750    |
|                | 05/01/2026    | 871683DA3 | 390,000   | 5 000% | 2 330% | 119.663   |                   |            |            | 76,685 70           | 2 750    |
|                | 05/01/2027    | 871683DB1 | 410,000   | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 75,948 40           | 2 750    |
|                | 05/01/2028    | 871683DC9 | 430,000   | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 77,223 70           | 2 750    |
|                | 05/01/2029    | 871683DD7 | 455,000   | 5 000% | 2.650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 77,709 45           | 2 750    |
|                | 05/01/2030    | 871683DE5 | 465,000   | 5 000% | 2.740% | 116 364 C | 3 347%            | 05/01/2026 | 100.000    | 76,092 60           | 2.750    |
|                | 05/01/2031    | 871683DF2 | 500,000   | 5 000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100.000    | 79,845 00           | 2.750    |
|                | 05/01/2032    | 871683DG0 | 515,000   | 5 000% | 2 820% | 115 732 C | 3 572%            | 05/01/2026 | 100 000    | 81,019 80           | 2.750    |
|                | 05/01/2033    | 871683DH8 | 550,000   | 5 000% | 2.870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 84,370 00           | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 575,000   | 3 250% | 3.350% | 98 759    |                   |            |            | -7,135 75           | 2 750    |
|                |               |           | 6,215,000 |        |        |           |                   |            |            | 880,862 75          |          |

|                        |              |             |
|------------------------|--------------|-------------|
| Dated Date             | 03/15/2018   |             |
| Delivery Date          | 03/15/2018   |             |
| First Coupon           | 11/01/2018   |             |
| Par Amount             | 6,215,000 00 |             |
| Premium                | 880,862 75   |             |
| Production             | 7,095,862 75 | 114 173174% |
| Underwriter's Discount | -36,589 77   | -0 588733%  |
| Purchase Price         | 7,059,272 98 | 113 584441% |
| Accrued Interest       |              |             |
| Net Proceeds           | 7,059,272 98 |             |

## BOND DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date 03/15/2018  
Delivery Date 03/15/2018

| Period<br>Ending | Principal | Coupon | Interest     | Debt Service | Annual<br>Debt Service |
|------------------|-----------|--------|--------------|--------------|------------------------|
| 11/01/2018       |           |        | 188,764.93   | 188,764.93   | 188,764.93             |
| 05/01/2019       |           |        | 150,343.75   | 150,343.75   |                        |
| 11/01/2019       |           |        | 150,343.75   | 150,343.75   | 300,687.50             |
| 05/01/2020       | 285,000   | 5.000% | 150,343.75   | 435,343.75   |                        |
| 11/01/2020       |           |        | 143,218.75   | 143,218.75   | 578,562.50             |
| 05/01/2021       | 295,000   | 5.000% | 143,218.75   | 438,218.75   |                        |
| 11/01/2021       |           |        | 135,843.75   | 135,843.75   | 574,062.50             |
| 05/01/2022       | 310,000   | 5.000% | 135,843.75   | 445,843.75   |                        |
| 11/01/2022       |           |        | 128,093.75   | 128,093.75   | 573,937.50             |
| 05/01/2023       | 325,000   | 5.000% | 128,093.75   | 453,093.75   |                        |
| 11/01/2023       |           |        | 119,968.75   | 119,968.75   | 573,062.50             |
| 05/01/2024       | 345,000   | 5.000% | 119,968.75   | 464,968.75   |                        |
| 11/01/2024       |           |        | 111,343.75   | 111,343.75   | 576,312.50             |
| 05/01/2025       | 365,000   | 5.000% | 111,343.75   | 476,343.75   |                        |
| 11/01/2025       |           |        | 102,218.75   | 102,218.75   | 578,562.50             |
| 05/01/2026       | 390,000   | 5.000% | 102,218.75   | 492,218.75   |                        |
| 11/01/2026       |           |        | 92,468.75    | 92,468.75    | 584,687.50             |
| 05/01/2027       | 410,000   | 5.000% | 92,468.75    | 502,468.75   |                        |
| 11/01/2027       |           |        | 82,218.75    | 82,218.75    | 584,687.50             |
| 05/01/2028       | 430,000   | 5.000% | 82,218.75    | 512,218.75   |                        |
| 11/01/2028       |           |        | 71,468.75    | 71,468.75    | 583,687.50             |
| 05/01/2029       | 455,000   | 5.000% | 71,468.75    | 526,468.75   |                        |
| 11/01/2029       |           |        | 60,093.75    | 60,093.75    | 586,562.50             |
| 05/01/2030       | 465,000   | 5.000% | 60,093.75    | 525,093.75   |                        |
| 11/01/2030       |           |        | 48,468.75    | 48,468.75    | 573,562.50             |
| 05/01/2031       | 500,000   | 5.000% | 48,468.75    | 548,468.75   |                        |
| 11/01/2031       |           |        | 35,968.75    | 35,968.75    | 584,437.50             |
| 05/01/2032       | 515,000   | 5.000% | 35,968.75    | 550,968.75   |                        |
| 11/01/2032       |           |        | 23,093.75    | 23,093.75    | 574,062.50             |
| 05/01/2033       | 550,000   | 5.000% | 23,093.75    | 573,093.75   |                        |
| 11/01/2033       |           |        | 9,343.75     | 9,343.75     | 582,437.50             |
| 05/01/2034       | 575,000   | 3.250% | 9,343.75     | 584,343.75   |                        |
| 11/01/2034       |           |        |              |              | 584,343.75             |
|                  | 6,215,000 |        | 2,967,421.18 | 9,182,421.18 | 9,182,421.18           |

## NET DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|-----------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |           |        | 188,764 93   | 188,764 93            | 188,764 93  |                     |                   |
| 05/01/2019 |           |        | 150,343 75   | 150,343 75            | 150,343 75  |                     |                   |
| 11/01/2019 |           |        | 150,343 75   | 150,343 75            |   | 150,343 75          | 150,343 75        |
| 05/01/2020 | 285,000   | 5 000% | 150,343 75   | 435,343 75            |   | 435,343 75          |                   |
| 11/01/2020 |           |        | 143,218 75   | 143,218 75            |   | 143,218 75          | 578,562 50        |
| 05/01/2021 | 295,000   | 5 000% | 143,218 75   | 438,218 75            |   | 438,218 75          |                   |
| 11/01/2021 |           |        | 135,843 75   | 135,843 75            |   | 135,843 75          | 574,062 50        |
| 05/01/2022 | 310,000   | 5 000% | 135,843 75   | 445,843 75            |   | 445,843 75          |                   |
| 11/01/2022 |           |        | 128,093 75   | 128,093 75            |   | 128,093 75          | 573,937 50        |
| 05/01/2023 | 325,000   | 5 000% | 128,093 75   | 453,093 75            |   | 453,093 75          |                   |
| 11/01/2023 |           |        | 119,968 75   | 119,968 75            |   | 119,968 75          | 573,062 50        |
| 05/01/2024 | 345,000   | 5 000% | 119,968 75   | 464,968 75            |   | 464,968 75          |                   |
| 11/01/2024 |           |        | 111,343 75   | 111,343 75            |   | 111,343 75          | 576,312 50        |
| 05/01/2025 | 365,000   | 5 000% | 111,343 75   | 476,343 75            |   | 476,343 75          |                   |
| 11/01/2025 |           |        | 102,218 75   | 102,218 75            |   | 102,218 75          | 578,562 50        |
| 05/01/2026 | 390,000   | 5 000% | 102,218 75   | 492,218 75            |   | 492,218 75          |                   |
| 11/01/2026 |           |        | 92,468 75    | 92,468 75             |   | 92,468 75           | 584,687 50        |
| 05/01/2027 | 410,000   | 5 000% | 92,468 75    | 502,468 75            |   | 502,468 75          |                   |
| 11/01/2027 |           |        | 82,218 75    | 82,218 75             |   | 82,218 75           | 584,687 50        |
| 05/01/2028 | 430,000   | 5 000% | 82,218 75    | 512,218 75            |   | 512,218 75          |                   |
| 11/01/2028 |           |        | 71,468 75    | 71,468 75             |   | 71,468 75           | 583,687 50        |
| 05/01/2029 | 455,000   | 5 000% | 71,468 75    | 526,468 75            |   | 526,468 75          |                   |
| 11/01/2029 |           |        | 60,093 75    | 60,093 75             |   | 60,093 75           | 586,562 50        |
| 05/01/2030 | 465,000   | 5 000% | 60,093 75    | 525,093 75            |   | 525,093 75          |                   |
| 11/01/2030 |           |        | 48,468 75    | 48,468 75             |   | 48,468 75           | 573,562 50        |
| 05/01/2031 | 500,000   | 5 000% | 48,468 75    | 548,468 75            |   | 548,468 75          |                   |
| 11/01/2031 |           |        | 35,968 75    | 35,968 75             |   | 35,968 75           | 584,437 50        |
| 05/01/2032 | 515,000   | 5 000% | 35,968 75    | 550,968 75            |   | 550,968 75          |                   |
| 11/01/2032 |           |        | 23,093 75    | 23,093 75             |   | 23,093 75           | 574,062 50        |
| 05/01/2033 | 550,000   | 5 000% | 23,093 75    | 573,093 75            |   | 573,093 75          |                   |
| 11/01/2033 |           |        | 9,343 75     | 9,343 75              |   | 9,343 75            | 582,437 50        |
| 05/01/2034 | 575,000   | 3 250% | 9,343 75     | 584,343 75            |   | 584,343 75          |                   |
| 11/01/2034 |           |        |              |                       |   |                     | 584,343 75        |
|            | 6,215,000 |        | 2,967,421 18 | 9,182,421 18          | 339,108 68  | 8,843,312 50        | 8,843,312 50      |

## BOND SUMMARY STATISTICS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

|                                   |              |
|-----------------------------------|--------------|
| Dated Date                        | 03/15/2018   |
| Delivery Date                     | 03/15/2018   |
| First Coupon                      | 11/01/2018   |
| Last Maturity                     | 05/01/2034   |
| Arbitrage Yield                   | 2.644747%    |
| True Interest Cost (TIC)          | 3.133599%    |
| Net Interest Cost (NIC)           | 3.391928%    |
| All-In TIC                        | 3.350800%    |
| Average Coupon                    | 4.740733%    |
| Average Life (years)              | 10.071       |
| Weighted Average Maturity (years) | 10.033       |
| Duration of Issue (years)         | 8.136        |
| Par Amount                        | 6,215,000.00 |
| Bond Proceeds                     | 7,095,862.75 |
| Total Interest                    | 2,967,421.18 |
| Net Interest                      | 2,123,148.20 |
| Total Debt Service                | 9,182,421.18 |
| Maximum Annual Debt Service       | 586,562.50   |
| Average Annual Debt Service       | 569,354.40   |
| Underwriter's Fees (per \$1000)   |              |
| Average Takedown                  | 2.750000     |
| Other Fee                         | 3.137332     |
| Total Underwriter's Discount      | 5.887332     |
| Bid Price                         | 113.584441   |

| Bond Component | Par Value    | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 6,215,000.00 | 114.173 | 4.741%         | 10.071       | 4,598.45          |
|                | 6,215,000.00 |         |                | 10.071       | 4,598.45          |

|                            | TIC          | All-In TIC   | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value                  | 6,215,000.00 | 6,215,000.00 | 6,215,000.00    |
| + Accrued Interest         |              |              |                 |
| + Premium (Discount)       | 880,862.75   | 880,862.75   | 880,862.75      |
| - Underwriter's Discount   | -36,589.77   | -36,589.77   |                 |
| - Cost of Issuance Expense |              | -38,529.04   |                 |
| - Other Amounts            |              | -82,846.12   |                 |
| Target Value               | 7,059,272.98 | 6,937,897.82 | 7,095,862.75    |
| Target Date                | 03/15/2018   | 03/15/2018   | 03/15/2018      |
| Yield                      | 3.133599%    | 3.350800%    | 2.644747%       |

## SOURCES AND USES OF FUNDS

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 22,420,000 00        |
| Net Premium                                   | 3,178,289 50         |
|   | <u>25,598,289 50</u> |
|   |                      |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 21,168 88            |
| SCSD Contribution for BAN Principal Repayment | 173,333 33           |
|   | <u>194,502 21</u>    |
|   | <u>25,792,791 71</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,472,476 73         |
| Deposit to Series 2018A Project Account        | 21,331,894 06        |
|  | <u>23,804,370 79</u> |
|  |                      |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 21,168 88            |
| BAN Principal Repayment from SCSD Contribution | 173,333 33           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,224,075 90         |
|  | <u>1,418,578.11</u>  |
|  |                      |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 138,989 63           |
| Underwriter's Discount                         | 131,993 95           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 186,759 23           |
| SIDA Fee (\$5 per Bond)                        | 112,100 00           |
|  | <u>569,842 81</u>    |
|  | <u>25,792,791 71</u> |



BOND PRICING

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 1,040,000  | 5 000% | 1 500% | 107 300   |                   |            |            | 75,920 00           | 2 750    |
|                | 05/01/2021    | 871683CV8 | 1,090,000  | 5 000% | 1 690% | 110 040   |                   |            |            | 109,436.00          | 2 750    |
|                | 05/01/2022    | 871683CW6 | 1,150,000  | 5 000% | 1 890% | 112 291   |                   |            |            | 141,346.50          | 2 750    |
|                | 05/01/2023    | 871683CX4 | 1,200,000  | 5 000% | 2 010% | 114 496   |                   |            |            | 173,952 00          | 2 750    |
|                | 05/01/2024    | 871683CY2 | 1,270,000  | 5 000% | 2 090% | 116 653   |                   |            |            | 211,493 10          | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 1,335,000  | 5 000% | 2 240% | 118 086   |                   |            |            | 241,448 10          | 2 750    |
|                | 05/01/2026    | 871683DA3 | 1,385,000  | 5 000% | 2 330% | 119 663   |                   |            |            | 272,332 55          | 2 750    |
|                | 05/01/2027    | 871683DB1 | 1,450,000  | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 268,598 00          | 2 750    |
|                | 05/01/2028    | 871683DC9 | 1,530,000  | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 274,772 70          | 2 750    |
|                | 05/01/2029    | 871683DD7 | 1,595,000  | 5 000% | 2 650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 272,410.05          | 2 750    |
|                | 05/01/2030    | 871683DE5 | 1,680,000  | 5 000% | 2 740% | 116 364 C | 3 347%            | 05/01/2026 | 100 000    | 274,915 20          | 2 750    |
|                | 05/01/2031    | 871683DF2 | 1,785,000  | 5 000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100 000    | 285,046 65          | 2 750    |
|                | 05/01/2032    | 871683DG0 | 1,900,000  | 5 000% | 2 820% | 115 732 C | 3 572%            | 05/01/2026 | 100 000    | 298,908 00          | 2 750    |
|                | 05/01/2033    | 871683DH8 | 1,975,000  | 5 000% | 2 870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 302,965 00          | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 2,035,000  | 3 250% | 3 350% | 98 759    |                   |            |            | -25,254 35          | 2 750    |
|                |               |           | 22,420,000 |        |        |           |                   |            |            | 3,178,289 50        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 22,420,000 00 |             |
| Premium                | 3,178,289 50  |             |
| Production             | 25,598,289 50 | 114.176135% |
| Underwriter's Discount | -131,993 95   | -0 588733%  |
| Purchase Price         | 25,466,295 55 | 113 587402% |
| Accrued Interest       |               |             |
| Net Proceeds           | 25,466,295 55 |             |

## BOND DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest      | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|---------------|---------------|------------------------|
| 11/01/2018       |            |        | 681,382 15    | 681,382 15    | 681,382 15             |
| 05/01/2019       |            |        | 542,693 75    | 542,693 75    |                        |
| 11/01/2019       |            |        | 542,693 75    | 542,693 75    | 1,085,387 50           |
| 05/01/2020       | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75  |                        |
| 11/01/2020       |            |        | 516,693 75    | 516,693 75    | 2,099,387 50           |
| 05/01/2021       | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75  |                        |
| 11/01/2021       |            |        | 489,443 75    | 489,443 75    | 2,096,137 50           |
| 05/01/2022       | 1,150,000  | 5.000% | 489,443 75    | 1,639,443 75  |                        |
| 11/01/2022       |            |        | 460,693 75    | 460,693 75    | 2,100,137 50           |
| 05/01/2023       | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75  |                        |
| 11/01/2023       |            |        | 430,693 75    | 430,693 75    | 2,091,387 50           |
| 05/01/2024       | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75  |                        |
| 11/01/2024       |            |        | 398,943 75    | 398,943 75    | 2,099,637 50           |
| 05/01/2025       | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75  |                        |
| 11/01/2025       |            |        | 365,568 75    | 365,568 75    | 2,099,512 50           |
| 05/01/2026       | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75  |                        |
| 11/01/2026       |            |        | 330,943 75    | 330,943 75    | 2,081,512 50           |
| 05/01/2027       | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75  |                        |
| 11/01/2027       |            |        | 294,693 75    | 294,693 75    | 2,075,637 50           |
| 05/01/2028       | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75  |                        |
| 11/01/2028       |            |        | 256,443 75    | 256,443 75    | 2,081,137 50           |
| 05/01/2029       | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75  |                        |
| 11/01/2029       |            |        | 216,568 75    | 216,568 75    | 2,068,012 50           |
| 05/01/2030       | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75  |                        |
| 11/01/2030       |            |        | 174,568 75    | 174,568 75    | 2,071,137 50           |
| 05/01/2031       | 1,785,000  | 5.000% | 174,568 75    | 1,959,568 75  |                        |
| 11/01/2031       |            |        | 129,943 75    | 129,943 75    | 2,089,512 50           |
| 05/01/2032       | 1,900,000  | 5 000% | 129,943 75    | 2,029,943 75  |                        |
| 11/01/2032       |            |        | 82,443 75     | 82,443 75     | 2,112,387 50           |
| 05/01/2033       | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75  |                        |
| 11/01/2033       |            |        | 33,068 75     | 33,068 75     | 2,090,512 50           |
| 05/01/2034       | 2,035,000  | 3 250% | 33,068 75     | 2,068,068 75  |                        |
| 11/01/2034       |            |        |               |               | 2,068,068 75           |
|                  | 22,420,000 |        | 10,670,888 40 | 33,090,888 40 | 33,090,888 40          |

## NET DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 681,382 15    | 681,382 15            | 681,382 15  |                     |                   |
| 05/01/2019 |            |        | 542,693 75    | 542,693 75            | 542,693 75  |                     |                   |
| 11/01/2019 |            |        | 542,693 75    | 542,693 75            |   | 542,693 75          | 542,693 75        |
| 05/01/2020 | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75          |   | 1,582,693 75        |                   |
| 11/01/2020 |            |        | 516,693 75    | 516,693 75            |   | 516,693 75          | 2,099,387 50      |
| 05/01/2021 | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75          |   | 1,606,693 75        |                   |
| 11/01/2021 |            |        | 489,443 75    | 489,443 75            |   | 489,443 75          | 2,096,137 50      |
| 05/01/2022 | 1,150,000  | 5.000% | 489,443 75    | 1,639,443 75          |   | 1,639,443 75        |                   |
| 11/01/2022 |            |        | 460,693 75    | 460,693 75            |   | 460,693 75          | 2,100,137 50      |
| 05/01/2023 | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75          |   | 1,660,693 75        |                   |
| 11/01/2023 |            |        | 430,693 75    | 430,693 75            |   | 430,693 75          | 2,091,387 50      |
| 05/01/2024 | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75          |   | 1,700,693 75        |                   |
| 11/01/2024 |            |        | 398,943 75    | 398,943 75            |   | 398,943 75          | 2,099,637 50      |
| 05/01/2025 | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75          |   | 1,733,943 75        |                   |
| 11/01/2025 |            |        | 365,568 75    | 365,568 75            |   | 365,568 75          | 2,099,512 50      |
| 05/01/2026 | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75          |   | 1,750,568 75        |                   |
| 11/01/2026 |            |        | 330,943 75    | 330,943 75            |   | 330,943 75          | 2,081,512 50      |
| 05/01/2027 | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75          |   | 1,780,943 75        |                   |
| 11/01/2027 |            |        | 294,693 75    | 294,693 75            |   | 294,693 75          | 2,075,637 50      |
| 05/01/2028 | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75          |   | 1,824,693 75        |                   |
| 11/01/2028 |            |        | 256,443 75    | 256,443 75            |   | 256,443 75          | 2,081,137 50      |
| 05/01/2029 | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75          |   | 1,851,443 75        |                   |
| 11/01/2029 |            |        | 216,568 75    | 216,568 75            |   | 216,568 75          | 2,068,012 50      |
| 05/01/2030 | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75          |   | 1,896,568 75        |                   |
| 11/01/2030 |            |        | 174,568 75    | 174,568 75            |   | 174,568 75          | 2,071,137 50      |
| 05/01/2031 | 1,785,000  | 5 000% | 174,568 75    | 1,959,568 75          |   | 1,959,568 75        |                   |
| 11/01/2031 |            |        | 129,943 75    | 129,943 75            |   | 129,943 75          | 2,089,512 50      |
| 05/01/2032 | 1,900,000  | 5 000% | 129,943 75    | 2,029,943 75          |   | 2,029,943 75        |                   |
| 11/01/2032 |            |        | 82,443 75     | 82,443 75             |   | 82,443 75           | 2,112,387 50      |
| 05/01/2033 | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75          |   | 2,057,443 75        |                   |
| 11/01/2033 |            |        | 33,068 75     | 33,068 75             |   | 33,068 75           | 2,090,512 50      |
| 05/01/2034 | 2,035,000  | 3.250% | 33,068 75     | 2,068,068 75          |   | 2,068,068 75        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 2,068,068 75      |
|            | 22,420,000 |        | 10,670,888 40 | 33,090,888 40         | 1,224,075 90  | 31,866,812 50       | 31,866,812 50     |

BOND SUMMARY STATISTICS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.131195%     |
| Net Interest Cost (NIC)           | 3.390143%     |
| All-In TIC                        | 3.349123%     |
| Average Coupon                    | 4.744625%     |
| Average Life (years)              | 10.031        |
| Weighted Average Maturity (years) | 9.995         |
| Duration of Issue (years)         | 8.109         |
| Par Amount                        | 22,420,000.00 |
| Bond Proceeds                     | 25,598,289.50 |
| Total Interest                    | 10,670,888.40 |
| Net Interest                      | 7,624,592.85  |
| Total Debt Service                | 33,090,888.40 |
| Maximum Annual Debt Service       | 2,112,387.50  |
| Average Annual Debt Service       | 2,051,794.66  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.587402    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 22,420,000.00 | 114.176 | 4.745%         | 10.031       | 16,525.40         |
|                | 22,420,000.00 |         |                | 10.031       | 16,525.40         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 22,420,000.00 | 22,420,000.00 | 22,420,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 3,178,289.50  | 3,178,289.50  | 3,178,289.50    |
| - Underwriter's Discount   | -131,993.95   | -131,993.95   |                 |
| - Cost of Issuance Expense |               | -138,989.63   |                 |
| - Other Amounts            |               | -298,859.23   |                 |
| Target Value               | 25,466,295.55 | 25,028,446.69 | 25,598,289.50   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.131195%     | 3.349123%     | 2.644747%       |



D E P A R T M E N T   O F   F I N A N C E

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Ben Walsh, Mayor

March 15, 2018

Manufacturers and Traders Trust Company,  
as Trustee  
Buffalo, New York

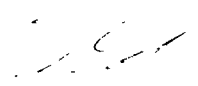
Re:    \$67,265,000 City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A (the "Bonds")

The undersigned Commissioner of Finance of the City of Syracuse, as an Authorized Representative, HEREBY DIRECTS you, pursuant to Section 5.7 of the Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "Indenture"), between the City of Syracuse Industrial Development Agency and you, as Trustee, to invest the unexpended moneys deposited in the Project Fund and the moneys for capitalized interest in the Interest Account of the Bond Fund; in accordance with the instructions attached hereto at Exhibit "A". The City certifies that such investments comport to the requirements of the Tax Compliance Documents (as defined in the Indenture) and that they are Qualified Investments under the Indenture.

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**IN WITNESS WHEREOF**, I have hereunto set my signature to this Investment Directive Letter this 17 day of March, 2018.

CITY OF SYRACUSE

By:   
\_\_\_\_\_  
David Del Vecchio  
Commissioner of Finance

**EXHIBIT "A"**

**INVESTMENT INSTRUCTIONS  
TO MANUFACTURERS AND TRADERS TRUST COMPANY**

Invest as fully as possible all unexpended proceeds in U.S. Treasury Bills due March 22, 2018.

**GENERAL CERTIFICATE OF THE CITY SCHOOL DISTRICT  
OF THE CITY OF SYRACUSE, NEW YORK**

This certificate is made in connection with the issuance by the City of Syracuse Industrial Development Agency (the "**Agency**") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Series 2018A Bonds**") pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "**Indenture**"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**").

In connection with the issuance of the Series 2018A Bonds, the following were executed and delivered by or on behalf of the City School District of the City of Syracuse (the "**SCSD**"):

- (a) Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**") amendatory of a License Agreement, dated as of March 1, 2008, between the City and the City School District of the City of Syracuse (the "**SCSD**"), as licensor, and the Agency, as licensee (the "**Original License Agreement**"), which was previously amended by the City, the Agency and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City, the Agency and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"); and further amended by the City, the Agency and the SCSD pursuant to a Third Amendatory License Agreement dated April 1, 2017 (the "**Third Amendatory License Agreement**" and together with the Original License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Fourth Amendatory License Agreement, collectively, the "**License**");
- (b) The Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, by the City and the SCSD in favor of the Agency;
- (c) Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), amendatory of that certain Installment Sale Agreement, (Series 2008 Project), dated as of March 1, 2008 ("**Original Agreement**") which was previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 ("**First Amended Agreement**"); Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**") and Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale**



*Agreement*”), each among the Agency, the City, the SCSD, and the Joint School Construction Board (the “*JSCB*”);

- (d) The Pledge and Assignment, dated as of March 1, 2018, by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;
- (e) The Bond Purchase Agreement, dated March 2, 2018 (the “*Purchase Contract*”), by the JSCB on behalf of the City, the SCSD and itself, the Agency and Raymond James (the “*Underwriter*”);
- (f) The Continuing Disclosure Agreement, dated March 15, 2018, by the JSCB on behalf of the City, the SCSD and itself to the Trustee;
- (g) The Arbitrage and Use of Proceeds Certificate, dated the date of delivery of the Series 2018A Bonds, executed by the City, the SCSD and the JSCB;
- (h) An Official Statement, dated March 2, 2018 (the “*Official Statement*”), relating to the Series 2018A Bonds.

The documents listed in paragraphs (a) - (h) above together with all other documents and certificates executed and delivered by the SCSD or the JSCB on behalf of the SCSD in connection with the Series 2018A Project and the issuance of the Series 2018A Bonds are referred to herein collectively as the “*SCSD Documents*.”

In connection with the issuance of the Series 2018A Bonds, I have reviewed the Opinion of the Corporation Counsel dated March 15, 2018, delivered in connection with the issuance of the Series 2018A Bonds.

For purposes of this certificate: (i) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; (ii) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign; and (iii) any term used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture or the Installment Sale Agreement, as applicable.

Each of the undersigned, President of the Board of Education of the SCSD and Superintendent of the SCSD, respectively, does hereby certify that:

1. I am the duly elected or appointed officer of the SCSD and am duly authorized to execute and deliver this certificate in the name and on behalf of the SCSD.
2. The SCSD is duly constituted and validly existing as a school district under the Constitution and the laws of the State, and authorized to enter into the transactions contemplated by the Purchase Contract and the other SCSD Documents.
3. Each of Resolution No. 1207-96 adopted on December 12, 2007 by the Board of Education; Resolution No. 0208-133 adopted on February 13, 2008 by the Board of Education, as amended by Resolution No. 0308-147-SM adopted on March 10,

2008 by the Board of Education; Resolution Nos. 0810-58-SM, 0810-59-SM, 0810-60-SM and 0810-61-SM, each adopted on August 26, 2010; Resolution No. 1010-86, adopted on October 13, 2010 by the Board of Education; Resolution No. 0611-266-SM adopted June 13, 2011 by the Board of Education; Resolution No. 0217-091, adopted February 8, 2017 by the Board of Education; and Resolution No. 0917-047, adopted September 27, 2017 by the Board of Education (collectively the "**Resolutions**"), remains in full force and effect as of the date hereof and has not been supplemented, amended or repealed.

4. All actions on the part of the SCSD, including necessary and appropriate review by the City's Corporation Counsel, necessary or appropriate for execution and delivery of the SCSD Documents and issuance of the Series 2018A Bonds have been completed. All conditions precedent set forth in the Resolutions have occurred and have been satisfied, including but not limited to the execution and delivery of the SCSD Documents by the undersigned or the JSCB in the name and on behalf of the SCSD and the performance by the SCSD of its obligations under the SCSD Documents.
5. The execution and delivery of the SCSD Documents by the SCSD or by the JSCB on the SCSD's behalf have been duly authorized by all necessary corporate, administrative and legislative action and, when executed and delivered, the SCSD Documents will constitute the valid and binding obligations of the SCSD enforceable against the SCSD in accordance with their terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and subject to general principles of equity, regardless of whether such enforceability is considered in equity or in law), and compliance with the provisions of all of them, under the circumstances contemplated thereby, did not, as of the date of the Purchase Contract, and does not at the Closing Date, in any material respect conflict with, or constitute on the part of the SCSD a breach of or default under, any agreement or other instrument to which the SCSD is a party or any existing law, administrative regulation, court order or consent decree to which the SCSD is subject.
6. The representations made by the JSCB on behalf of the SCSD in the Purchase Contract are true and correct in all material respects at and as of the Closing Date and each of the obligations of the SCSD under the Purchase Contract to be performed at or prior to the Closing Date have been performed.
7. The SCSD has received all necessary approvals from the New York State Education Department for the design, reconstruction, rehabilitation, construction and equipping of the Series 2018A Project. The SCSD has received and there remain currently in full force and effect all other governmental consents and approvals necessary at this time which would constitute a condition precedent to, or the failure to obtain would materially adversely affect, the performance by the SCSD of its obligations under the SCSD Documents, except for those consents

and approvals not yet received that the SCSD reasonably expects to receive in a timely manner.

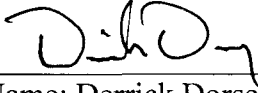
8. Except as disclosed in the Preliminary Official Statement dated February 23, 2018, with respect to the Series 2018A Bonds (the “**Preliminary Official Statement**”) and the Official Statement, since March 2, 2018, no material or adverse change has occurred in the financial position or results of operations, business, or affairs of the SCSD, and the SCSD has not, since March 2, 2018 incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement. To the best of my knowledge, no event affecting the SCSD has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of the Closing Date.
9. The SCSD has received and there remains currently in full force and effect all permits, licenses, accreditations, and certifications necessary to: (1) conduct its business as it is presently being conducted, subject to minor exceptions and deficiencies that are not material and do not affect the conduct of its business; and (2) own and operate the Facilities, except for such permits, licenses, accreditations, and certifications not yet received that the SCSD reasonably expects to receive in a timely manner.
10. No action, suit, proceeding or investigation is pending or (to the best of my knowledge) threatened against the SCSD or (to the best of my knowledge, no independent investigation having been made) any other person in any court or before any Court, governmental authority, legislative body, board, agency or commission: (a) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or any payments under the Installment Sale Agreement, or the transactions contemplated by the Purchase Contract or the other SCSD Documents; or (b) in any way contesting or affecting the validity of the Series 2018A Bonds, or the validity or enforceability of the Purchase Contract or the other SCSD Documents or the transactions contemplated thereby; or (c) in any way contesting the corporate existence, powers or operations of the SCSD; or (d) which if determined adversely to the SCSD, would adversely affect the financial condition of the SCSD.
11. The SCSD is not in breach of, or in default under, any applicable law or administrative regulation of the State (including, without limitation, any applicable law or administrative rule or regulations of the New York State Commissioner of Education or the New York State Department of Education) or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the SCSD is, a party or otherwise subject, which breach or default would in any way materially and adversely affect the issuance of the Series 2018A Bonds or the intercept of state

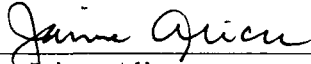
and/or school aid pursuant to the Syracuse Schools Act; and no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default; and the issuance, sale and delivery of the Series 2018A Bonds or the intercept of state and/or school aid pursuant to the Syracuse Schools Act will not conflict with or constitute a breach of or default under any agreement or other instrument to which the SCSD is a party or otherwise subject.

12. The SCSD has determined that the Series 2018A Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The SCSD has further determined that the Series 2018A Project shall continue to be essential to such administration and to meet such needs throughout the term of the Third Amended Agreement.
13. No event of default or event which, with notice or lapse of time or both, would constitute an event of default under any of the SCSD Documents has occurred and is continuing.
14. The statements and information contained in the Preliminary Official Statement and the Official Statement (with the exception of statements and information under the headings, "PROGRAM PARTICIPANTS - all subheadings other than the SCSD," "DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY - Budget Procedures and Plans," "THE ISSUER," "TAX MATTERS," and "APPENDIX E —Form of Opinion of Bond Counsel") do not, as of the date of the Purchase Contract and the Closing Date, contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.
15. The SCSD has not failed during the previous five years to comply in all material respects with any of its undertakings in previous written continuing disclosure contracts or agreements under Rule 15c2-12.
16. The SCSD is in compliance with the material rules, regulations and other requirements of the State Education Department in connection with State Aid to Education revenues to the SCSD and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such requirements, such that State Aid to Education revenues could be impaired.

WITNESS, the 15<sup>th</sup> day of March, 2018.

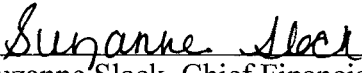
**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By:   
Name: Derrick Dorsey  
President, Board of Education

By:   
Name: Jaime Alicea  
Superintendent

**Acknowledged:**


**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

By:   
Suzanne Slack, Chief Financial Officer

The undersigned, the District Clerk of the Board of Education of the City School District of the City of Syracuse, does hereby certify that:

1. **Derrick Dorsey** is the duly elected President of the Board of Education of the City School District of the City of Syracuse and that such person is, on and as of the date hereof, the duly elected and acting President of the Board of Education of the City School District of the City of Syracuse, and **Jaime Alicea** is the duly appointed Superintendent of the City School District of City of Syracuse and that such person is, on and as of the date hereof, such duly appointed and acting Superintendent of the City School District of the City of Syracuse, New York and that the signature appearing above the name of each such person is his/her genuine signature.
2. The Resolutions were duly adopted, have not been amended or modified since their adoption and are in full force and effect as of the date hereof. A true copy of each of the Resolutions is attached hereto as Exhibit "A".

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE, NEW YORK**

By:   
Name: Eileen Steinhardt  
District Clerk

Dated: March 12, 2018

**EXHIBIT "A"**

**RESOLUTIONS**

***I hereby certify that the attached is a true copy of Resolution #1207-96 adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its regular business meeting on December 12, 2007 on a vote of 6 Yes, 0 No.***



***Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District***

***April 12, 2017***

***Date of Certification***



Syracuse City School District  
Board of Education  
Syracuse, New York

Resolution Number 1207-96

## RESOLUTION

- Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and
- Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; and
- Whereas: the Syracuse City School District has received approval by the Commissioner of Education of the State of New York of plans and specifications for the renovation of and addition to the Institute of Technology @ Syracuse Central by letter dated December 28, 2006, which is attached hereto as Appendix "A"; and



Whereas: the Board of Education of the SCSD is also required to approve the JSCB's plan to finance the design of the other six (6) school projects to be included in Phase I of the school renovation plan; now therefore, be it

Resolved: That the Board of Education of the Syracuse City School District approves the plans and specifications for the renovation of and addition to the Institute of Technology @ Syracuse Central as approved by the Commissioner of Education of the State of New York and as on file with the Clerk of the Board; and be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and be it further


Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to include financing for the design of the other six (6) Phase I schools, namely: Blodgett, Clary, Fowler, Dr. Weeks, Shea, and H.W. Smith in its Tranche I financing for the Phase I School renovation project; and be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and be it further

Resolved: That this Resolution shall take effect immediately.

Dated: December 12, 2007

*I hereby certify that the attached is a true copy of Resolution #0208-133 adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its regular business meeting on February 13, 2008 on a vote of 7 Yes, 0 No.*



*Eileen Steinhardt*  
*District Clerk*  
*Board of Education*  
*Syracuse City School District*

April 12, 2017  
*Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0208-133

**R E S O L U T I O N**

- Whereas: the Syracuse Joint School Construction Board (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006 (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted the proposed financial plan (the "*Plan*") set forth in JSCB's proposed Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's public schools (the "*Program*") to the Office of the Comptroller of the State of New York (the "*OSC*"); and
- Whereas: by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and
- Whereas: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "*Series 2008 Project*") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("*SIDA*") in the principal amount of up to \$180,000,000 (the "*Bonds*"); and
- Whereas: the Series 2008 Project is expected to be undertaken in two stages; and
- Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in an aggregate principal amount of up to \$47,290,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "*Central Tech Project*") and

the design (“*Design Phase*”) of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

Whereas: by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and

Whereas: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the “*Program Manager Agreement*”), with Gilbane Building Company (a copy of which is attached hereto as Exhibit “A”); and

Whereas: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated there under (collectively referred to hereinafter as “*SEQRA*”), the JSCB, as “lead agency,” classified the Central Tech Project as a “Type 1 Action” and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a “significant effect on the environment” (as such quoted terms are defined in SEQRA); and

Whereas: the School District classified the Design Phase as a “Type II Action” under SEQRA; and

Whereas: pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (substantially on the terms and in the form of the proposed License Agreement (Series 2008 Project) attached hereto as Exhibit “B”) (the “*License*”) to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the “*Buildings*”) for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (substantially in the form of the proposed Bill of Sale attached hereto as Exhibit “C”) (the “*Bill of Sale*”) conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2008 Project (the “*Equipment*” and with the Buildings, the “*Facilities*”), to be financed with proceeds of the Bonds; and

Whereas: SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit “E”) (the “*Indenture*”) with Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (except for the Agency’s Reserved Rights (as defined in the Indenture)), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

Whereas: SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit “E”) (the “*Installment Sale Agreement*”), pursuant to which SIDA will sell its interest in

the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Installment Sale Agreement); and

Whereas: the City and the School District will enter into a State Aid Trust Agreement (substantially on the terms and in the form of the proposed State Aid Trust Agreement attached hereto as Exhibit “F”) with Manufacturers and Traders Trust Company, acting as Depository Bank (the “*Depository*”) and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined therein); and

Whereas: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

Whereas: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

Whereas: simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the “*Bond Insurance Policy*”) will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

Whereas: DEPFA First Albany Securities LLC, as representative of the Underwriters (the “*Underwriters*”), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement (substantially in the form of the proposed preliminary official statement attached hereto as Exhibit “G”) (“*Preliminary Official Statement*”) and will prepare a final official statement with respect to the Series 2008A Bonds (the “*Official Statement*”) for use in the offering of the Series 2008A Bonds by the Underwriters; and

Whereas: the terms and conditions of the proposed purchase of the Series 2008A Bonds by the underwriters will be set forth in a Bond Purchase Agreement (the “*Bond Purchase Agreement*”) to be entered into by SIDA, the City, the School District and the Underwriters; and

Whereas: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank

Agency (“MBBA”) for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA, the City and the JSCB;

NOW THEREFORE, BE IT RESOLVED that;

1. The School District hereby adopts the SEQRA Findings of the JSCB. The School District hereby determines that the Series 2008 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of the Installment Sale Agreement.
2. In consequence of the foregoing, the School District hereby determines to:
  - (a) ratify the Program Manager Agreement;
  - (b) grant a license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2008 Project pursuant to the License Agreement and sell to SIDA all Equipment necessary or attendant to the Series 2008 Project pursuant to the Bill of Sale, each substantially in the form attached hereto, with such amendments or modifications as the President of the Board of Education or the Superintendent of the School District (referred to hereinafter individually and collectively as an “*Authorized Officer*”) deems necessary under the circumstances upon advice of the Corporation Counsel;
  - (c) sell its interest in the Facilities to SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
  - (d) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
  - (e) approve the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

- (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (g) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;
- (h) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the "*Tax Compliance Certificate*"), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "*Continuing Disclosure Agreement*") in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (k) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
- (l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "*Financing Documents*").

3. Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefore and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the

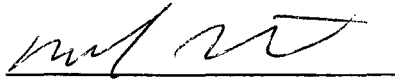


final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA.

4. Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Central Tech Project and Design Phase by the Series 2008A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents.
5. The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2008A Bonds.
6. In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 – 5 of this Resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above.
7. No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. Neither the officials, directors, members, officers or employees of the School District, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.
8. The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval and submission to the City Common Council.
9. This Resolution shall take effect immediately.

Dated: February 13, 2008

*I hereby certify that the attached is a true copy of Resolution #0308-147-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on March 10, 2008 on a vote of 4 Yes, 0 No.*



*Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District*

April 12, 2017

*Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0308-147-SM

## RESOLUTION

### Joint School Construction Board Amendment

- Whereas: the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant Chapter 58 A-4 of the Laws of 2006 (the “*Act*”) of the State of New York (the “*State*”) and an agreement dated April 1, 2004 by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and
- Whereas: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted the proposed financial plan (the “*Plan*”) set forth in JSCB’s proposed Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District’s public schools (the “*Program*”) to the Office of the Comptroller of the State of New York (the “*OSC*”); and
- Whereas: by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and
- Whereas: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the “*Series 2008 Project*”) and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency (“*SIDA*”) in the principal amount of up to \$180,000,000 (the “*Bonds*”); and
- Whereas: the Series 2008 Project is expected to be undertaken in two stages; and

- Whereas: the JSCB's underwriter, DEPFA First Albany Securities LLC, has recommended that the original par amount of \$47,290,000 set forth in Resolution No. 0208-133 be increased to \$49,750,000 to take into account current market conditions;
- Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in an aggregate principal amount of up to \$49,750,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "*Central Tech Project*") and the design ("*Design Phase*") of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and
- Whereas: by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and
- Whereas: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the "*Program Manager Agreement*"), with Gilbane Building Company (a copy of which is attached hereto as Exhibit "A"); and
- Whereas: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "*SEQRA*"), the JSCB, as "lead agency," classified the Central Tech Project as a "Type 1 Action" and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

Whereas: the School District classified the Design Phase as a “Type II Action” under SEQRA; and

Whereas: pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (substantially on the terms and in the form of the proposed License Agreement (Series 2008 Project) attached hereto as Exhibit “B”) (the “*License*”) to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the “*Buildings*”) for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (substantially in the form of the proposed Bill of Sale attached hereto as Exhibit “C”) (the “*Bill of Sale*”) conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2008 Project (the “*Equipment*” and with the Buildings, the “*Facilities*”), to be financed with proceeds of the Bonds; and

Whereas: SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit “E”) (the “*Indenture*”) with Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (except for the Agency’s Reserved Rights (as defined in the Indenture)), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

Whereas: SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit “D”) (the “*Installment Sale Agreement*”), pursuant to which SIDA will sell its interest in the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Installment Sale Agreement); and

Whereas: the City and the School District will enter into a State Aid Trust Agreement (substantially on the terms and in the form of the proposed State Aid Trust Agreement attached hereto as Exhibit “F”) with Manufacturers and Traders Trust Company, acting as Depository Bank (the “*Depository*”) and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined therein); and

Whereas: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

Whereas: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

Whereas: simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the “*Bond Insurance Policy*”) will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

Whereas: DEPFA First Albany Securities LLC, as representative of the Underwriters (the “*Underwriters*”), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement (substantially in the form of the proposed preliminary official statement attached hereto as Exhibit “G”) (“*Preliminary Official Statement*”) and will prepare a final official statement with respect to the Series 2008A Bonds (the “*Official Statement*”) for use in the offering of the Series 2008A Bonds by the Underwriters; and

Whereas: the terms and conditions of the proposed purchase of the Series 2008A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the “*Bond Purchase Agreement*”) to be entered into by SIDA, the City, the School District and the Underwriters; and

Whereas: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from *the* New York State Municipal Bond Bank Agency (“*MBBA*”) for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA, the City and the JSCB;

NOW THEREFORE, BE IT RESOLVED, that;

1. The School District hereby adopts the SEQRA Findings of the JSCB. The School District hereby determines that the Series 2008 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of the Installment Sale Agreement.

2. In consequence of the foregoing, the School District hereby determines to:

(a) ratify the Program Manager Agreement;

(b) grant a license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2008 Project pursuant to the License Agreement and sell to SIDA all Equipment necessary or attendant to the Series 2008 Project pursuant to the Bill of Sale, each substantially in the form attached hereto, with such amendments or modifications as the President of the Board of Education or the Superintendent of the

School District (referred to hereinafter individually and collectively as an “*Authorized Officer*”) deems necessary under the circumstances upon advice of the Corporation Counsel;

(c) sell its interest in the Facilities to SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;

(d) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(e) approve the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

(g) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;

(h) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the “*Tax Compliance Certificate*”), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the “*Continuing Disclosure Agreement*”) in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as



the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

(k) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;

(l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "*Financing Documents*").

3. Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA.

4. Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Central Tech Project and Design Phase by the Series 2008A

Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents.

5. The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2008A Bonds.

6. In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 – 5 of this Resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above.

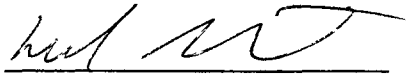
7. No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. Neither the officials, directors, members, officers or employees of the School District, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

8. The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval and submission to the City Common Council.

This Resolution shall take effect immediately.

Dated: March 10, 2008

***I hereby certify that the attached is a true copy of Resolution #0810-58-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on August 26, 2010 on a vote of 6 Yes, 0 No.***



***Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District***

***April 12, 2017***

***Date of Certification***



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0810-58-SM

**R E S O L U T I O N**

Dr. Weeks Elementary School

Reconstruction  
Energy Performance Contract  
District-wide Technology

Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and

Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it

Resolved: That the Board of Education of the Syracuse City School District

approve the plans and specifications for the Dr. Weeks Elementary School reconstruction. SED project numbers 42-18-00-01-0-050-007, 42-18-00-01-0-050-008 and 42-18-00-01-7-999-009 as developed by RSA Architects under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

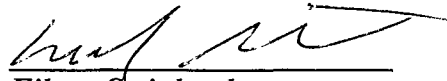
Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

Dated: August 26, 2010

*I hereby certify that the attached is a true copy of Resolution #0810-59-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*



*Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District*

*April 12, 2017*

*Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0810-59-SM

**R E S O L U T I O N**

Fowler High School  
Addition and Alterations  
Energy Performance Contract  
District-wide Technology

Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and

Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it

Resolved: That the Board of Education of the Syracuse City School District

approve the plans and specifications for the Fowler High School addition and alterations. SED project numbers 42-18-00-01-0-122-026, 42-18-00-01-0-122-027 and 42-18-00-01-7-999-009 as developed by RSA Architects under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

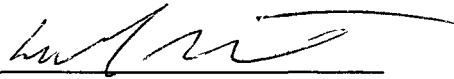
Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

Dated: August 26, 2010



*I hereby certify that the attached is a true copy of Resolution #0810-60-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*



*Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District*

*April 12, 2017  
Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0810-60-SM

**R E S O L U T I O N**

H.W. Smith K-8 School  
Addition and Alterations  
Energy Performance Contract  
District-wide Technology

- Whereas: the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and
- Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"); and
- Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it

Resolved: That the Board of Education of the Syracuse City School District approve the plans and specifications for the H.W. Smith K-8 School addition and alterations. SED project numbers 42-18-00-01-0-109-008, 42-18-00-01-0-109-010 and 42-18-00-01-7-999-009 as developed by SEI Design Group under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

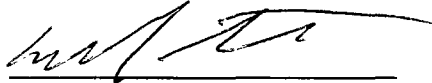
Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

Dated: August 26, 2010

*I hereby certify that the attached is a true copy of Resolution #0810-61-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on August 26, 2010 on a vote of 6 Yes, 0 No.*



*Eileen Steinhardt  
District Clerk  
Board of Education  
Syracuse City School District*

*April 12, 2017*

*Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0810-61-SM

**R E S O L U T I O N**

Institute of Technology at Syracuse Central  
Addition and Alterations  
Demolition and Asbestos Removal  
Energy Performance Contract  
District-wide Technology

Whereas: the Joint Schools Construction Board (hereinafter referred to as the “JSCB”) was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the “Act”) and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the “City”) and the Board of Education of the City School District of the City of Syracuse (the “School District”); and

Whereas: pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the “Project”); and

Whereas: §7 of the aforementioned Act requires the Board of Education of the City School District of the City of Syracuse (SCSD) to approve the plans and specifications of each building project undertaken pursuant to the Act; now, therefore, be it

Resolved: That the Board of Education of the Syracuse City School District approve the plans and specifications for the Institute of Technology at Syracuse Central – addition and alterations. SED project numbers 42-18-00-01-0-125-008, 42-18-00-01-0-125-009, 42-18-00-01-0-125-010 and 42-18-00-01-7-999-009 as developed by Architect SEI Design Group under contract with the JSCB and as on file with the Clerk of the Board; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to transmit this Resolution along with a copy of the approved plans and specifications to the City Engineer of the City of Syracuse for approval and submittal to the Syracuse Common Council in accordance with the requirements of §7 of the Act; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the JSCB to finance this project through current and future JSCB bond proceeds in accordance with the JSCB Finance Plan for the Phase I schools renovation project; and, be it further

Resolved: That the Board of Education of the Syracuse City School District hereby authorizes the SCSD's Superintendent of Schools to provide any documents deemed necessary to carry out the intent of this Resolution to the City Engineer, the Common Council or the JSCB; and, be it further

Resolved: That this Resolution shall take effect immediately.

Dated: August 26, 2010



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 1010-86

**R E S O L U T I O N**

- Whereas: the Syracuse Joint School Construction Board (the "*JSCB*") was established pursuant Chapter 58 A-4 of the Laws of 2006 (the "*Act*") of the State of New York (the "*State*") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "*City*") and the Board of Education of the City School District of the City of Syracuse (the "*School District*"); and
- Whereas: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted the proposed financial plan (the "*Plan*") set forth in JSCB's proposed Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's public schools (the "*Program*") to the Office of the Comptroller of the State of New York (the "*OSC*"); and
- Whereas: by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and
- Whereas: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consisted of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "*Series 2008 Project*") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("*SIDA*") in the principal amount of up to \$180,000,000 (the "*Bonds*"); and
- Whereas: the JSCB, acting on behalf of the School District and the City, submitted a revised Plan (the "*Amended Plan*") regarding the Program to the OSC; and

- Whereas: by letter dated June 24, 2009, OSC notified the JSCB of its approval of the Amended Plan; and
- Whereas: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), it was determined that the first stage of the work to be financed by the Series 2008A Bonds would not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA) and a negative declaration was therefore issued; and
- Whereas: in April of 2009 the JCSB, acting as "lead agency", reviewed the proposed additions, modifications and renovations that constituted the second phase of the Series 2008 Project and which are to be financed by the Series 2010 Bonds, determined that such work would not have a "significant effect on the environment" and issued a negative declaration; and
- Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, previously requested, and SIDA did, issue and sell its revenue bonds in an aggregate principal amount of \$49,230,000 (the “*Series 2008A Bonds*”) to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the “*Central Tech Project*”) and the design (“*Design Phase*”) of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School (“*Structures*”); and
- Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has now requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$75,000,000 (the “*Series 2010 Bonds*”) to finance all or a portion of the costs of the second phase of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School (the “*Buildings*”) and additions thereto, including the approximate 45 thousand square foot addition to Fowler High School, and



the acquisition and installation of certain equipment, fixtures and furnishings (the “*Equipment*” and with the Buildings and additions thereto, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and

Whereas: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, had previously entered into a Program Manager Agreement dated as of December 5, 2007 (the “*Program Manager Agreement*”), with Gilbane Building Company in conjunction with the Series 2008A Project; the JSCB, on behalf of the City and the School District, shall take all steps necessary to ensure that the Program Manager Agreement covers the Series 2010 Project, including but not limited to extending and/or renegotiating the Program Manager Agreement if necessary; and

Whereas: SIDA, by the terms of an Indenture of Trust (Series 2010 Project) dated as of November 1, 2010 (the “*Series 2010 Indenture*”) with *Manufacturers and Traders Trust Company*, as trustee (the “*Trustee*”), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Amendment No. 2 to the Installment Sale Agreement (except for the Agency’s Reserved Rights (as defined in the Series 2010 Indenture)), State Aid Revenues and other moneys and property described in the Series 2010 Indenture as security for the Series 2010 Bonds; and

Whereas: SIDA, the City, the School District and the JSCB will enter into Amendment No. 2 to the Installment Sale Agreement (Series 2010 Project) (“*Amendment No. 2 to Installment Sale Agreement*”), pursuant to which SIDA will sell its interest in the Series 2010 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2010 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2010 Bonds and other amounts due under Amendment No. 2 to the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Amendment No. 2 to the Installment Sale Agreement); and

Whereas: the City and the School District will enter into a First Amendment to State Aid Trust Agreement with *Manufacturers and Traders Trust Company*, acting as Depository Bank (the “*Depository*”) and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the

State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Series 2010 Indenture) toward payment of the Series 2010 Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Series 2010 Indenture) and the balance to the General Fund (as defined therein); and

Whereas: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under Amendment No. 2 to the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

Whereas: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

Whereas: prior to the issuance and delivery of the Series 2010 Bonds, the Underwriters (as defined herein) will undertake efforts to apply for, and purchase, if and only if cost effective, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") with a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2010 Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

Whereas: Jefferies & Company, Inc., as representative of the Underwriters (the "*Underwriters*"), has offered to purchase the Series 2010 Bonds and will prepare a preliminary official statement and will prepare a final official statement with respect to the Series 2010 Bonds (the "*Official Statement*") for use in the offering of the Series 2010 Bonds by the Underwriters; and

Whereas: the terms and conditions of the proposed purchase of the Series 2010 Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "*Bond Purchase Agreement*") to be entered into by SIDA, the City, the School District and the Underwriters; and

Whereas: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("*MBBA*") for the Series 2010 Project and made a preliminary determination that financing the

Series 2010 Project through the Series 2010 Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2010 Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2010 Project through the Series 2010 Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2010 Bonds is subject to the approval by the Board of Education of the City, the City, and the Commissioner of Education of the plans and specifications relative to the Series 2010 Project in accordance with the Act; and

Whereas: the issuance of the Series 2010 Bonds is subject to approval thereof by SIDA, the City and the JSCB; now, therefore, be it

Resolved: The School District hereby determines that the Series 2010 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of Amendment No. 2 to the Installment Sale Agreement; and, be it further

Resolved: In consequence of the foregoing, the School District hereby determines to:

- (a) ratify the Program Manager Agreement, as amended in accordance with the terms hereof;
- (b) grant or continue its license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2010 Project pursuant to a license agreement, and sell to SIDA all Equipment necessary or attendant to the Series 2010 Project pursuant to the Bill of Sale, with such amendments or modifications as the President of the Board of Education or the Superintendent of the School District (referred to hereinafter individually and collectively as an “*Authorized Officer*”) deems necessary under the circumstances upon advice of the Corporation Counsel;
- (c) sell its interest in the Facilities to SIDA pursuant to Amendment No. 2 to the Installment Sale Agreement, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;

- (d) approve the issuance of the Series 2010 Bonds in accordance with the Series 2010 Indenture, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (e) approve the First Amendment to the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (g) use the proceeds of the Series 2010 Bonds to accomplish the Series 2010 Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Series 2010 Indenture;
- (h) approve a Tax Compliance Certificate, or an amendment thereto, among SIDA, the City, the JSCB and the School District (the "*Tax Compliance Certificate*"), in connection with the issuance of the Series 2010 Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2010 Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "*Continuing Disclosure Agreement*") in connection with the issuance of the Series 2010 Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

- (k) obtain, if cost effective as set forth herein, a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
- (l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2010 Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2010 Project and qualify the interest on the Series 2010 Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Amendment No. 2 to the Installment Sale Agreement, the Bond Purchase Agreement, the Series 2010 Indenture, the First Amendment to State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the “*Financing Documents*”); and, be it further

Resolved: Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Series 2010 Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2010 Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and, be it further

Resolved: Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Series 2010 Project by the Series 2010 Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and, be it further

Resolved: The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2010 Bonds; and, be it further

Resolved: In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such

other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 – 5 of this Resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further

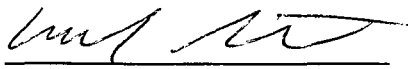
Resolved: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. The officials, directors, members, officers or employees of the School District, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further

Resolved: The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval and submission to the City Common Council; and, be it further.

Resolved: This Resolution shall take effect immediately.

Dated: October 13, 2010

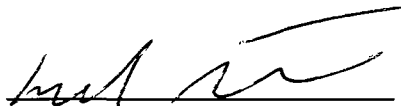
*I hereby certify that the attached is a true copy of Resolution #1010-86 adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its regular business meeting on October 13, 2010 on a vote of 7 Yes, 0 No.*



**Eileen Steinhardt**  
**District Clerk**  
**Board of Education**  
**Syracuse City School District**

April 12, 2017  
**Date of Certification**

*I hereby certify that the attached is a true copy of Resolution #0611-266-SM adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at its Special Meeting on June 13, 2011 on a vote of 4 Yes, 0 No.*

  
\_\_\_\_\_  
*Eileen Steinhardt*  
*District Clerk*  
*Board of Education*  
*Syracuse City School District*

*April 12, 2017*  
*Date of Certification*



SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

Resolution Number 0611-266-SM

**RESOLUTION**

- Whereas: the Syracuse Joint School Construction Board (the "*JSCB*") was established pursuant Chapter 58 A-4 of the Laws of 2006 (the "*Act*") of the State of New York (the "*State*") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "*City*") and the Board of Education of the City School District of the City of Syracuse (the "*School District*"); and
- Whereas: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted the proposed financial plan (the "*Plan*") set forth in JSCB's proposed Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's public schools (the "*Program*") to the Office of the Comptroller of the State of New York (the "*OSC*"); and
- Whereas: by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and
- Whereas: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consisted of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "*Series 2008 Project*") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("*SIDA*") in the principal amount of up to \$180,000,000 (the "*Bonds*"); and
- Whereas: the JSCB, acting on behalf of the School District and the City, submitted a revised Plan (the "*Amended Plan*") regarding the Program to the OSC; and
- Whereas: by letter dated June 24, 2009, OSC notified the JSCB of its approval of the Amended Plan; and
- Whereas: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "*SEQRA*"), it was determined that the first stage of the work to be financed by the Series 2008A Bonds would not have a "significant effect"



on the environment" (as such quoted terms are defined in SEQRA) and a negative declaration was therefore issued; and

Whereas: in April of 2009 the JSCB, acting as "lead agency", reviewed the proposed additions, modifications and renovations that constituted the second phase of the Series 2008 Project and which were to be financed by the Series 2010 Bonds, determined that such work would not have a "significant effect on the environment" and issued a negative declaration; and

Whereas: in May of 2011 the JSCB, acting as "lead agency", reviewed the proposed additions, modifications and renovations that constituted the third phase of the 2008 Project and which are to be financed by the Series 2011 Bonds, determined that such work would not have a "significant effect on the environment" and issued a negative declaration; and

Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, previously requested, and SIDA did, issue and sell its revenue bonds in an aggregate principal amount of \$49,230,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "*Central Tech Project*") and the design ("*Design Phase*") of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School ("*Structures*"); and

Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, previously requested, and SIDA did, issue and sell its revenue bonds in an aggregate principal amount of \$31,470,000 (the "*Series 2010 Bonds*") to finance all or a portion of the costs of the second stage of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School (the "*School Buildings*") and additions thereto, including the approximate 45 thousand square foot addition to Fowler High School, and the acquisition and installation of certain equipment, fixtures and

furnishings (the "*Equipment*" and with the School Buildings and additions thereto, the "*2010 Facilities*") necessary and attendant to the use of the School Buildings as schools by the City and the SCSD; and

Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has now requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$60,000,000 (the "*Series 2011 Bonds*") to finance all or a portion of the costs of the third stage of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, H. W. Smith Elementary School and Fowler High School (the "*Buildings*") and additions thereto, including the construction of an approximately 7,800 square foot, two-story, five classroom addition to, and the renovation and improvement of, H. W. Smith and the renovation and improvement of Dr. Weeks and Fowler, and the acquisition and installation of certain equipment, fixtures and furnishings (the "*Equipment*" and with the Buildings and additions thereto, the "*Facilities*") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and

Whereas: The School District received a \$15,000,000 allocation of Federally Taxable Qualified School Construction Bonds ("*QSCBs*") from the New York State Department of Education ("*Allocation*") and intends to utilize such Allocation to finance all or a portion of the costs associated with the Facilities; and

Whereas: In furtherance of the School District's desire to utilize its Allocation as stated above, it is the School District's intent to transfer its Allocation to SIDA. Such transfer being conditioned upon SIDA issuing QSCBs in a like amount on behalf of the School District; and

Whereas: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, had previously entered into a Program Manager Agreement dated as of December 5, 2007, as the same may be amended or supplemented from time to time, (the "*Program Manager Agreement*"), with Gilbane Building Company in conjunction with the Series 2008A Project; the JSCB, on behalf of the City and the School District, shall take all steps necessary to ensure that the Program Manager Agreement covers the Series 2010 Project, including but not limited to extending and/or renegotiating the Program Manager Agreement if necessary; and

Whereas: SIDA, by the terms of a First Supplemental Indenture (Series 2011 Project) dated as of July 1, 2011 (the "*First Supplemental Indenture*") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Amendment No. 3 to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the First Supplemental Indenture), State Aid Revenues and other moneys and property described in the Series 2010 Indenture as security for the Series 2010 Bonds; and

Whereas: SIDA, the City, the School District and the JSCB will enter into Amendment No. 3 to the Installment Sale Agreement (Series 2011 Project) ("*Amendment No. 3 to Installment Sale Agreement*"), pursuant to which SIDA will sell its interest in the Series 2011 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2011 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2011 Bonds and other amounts due under Amendment No. 3 to the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Amendment No. 3 to the Installment Sale Agreement); and

Whereas: the City and the School District will enter into a Second Amendment to State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "*Depository*") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the First Supplemental Indenture) toward payment of the Series 2010 Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund, if any, and the balance to the General Fund (as defined therein); and

Whereas: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under Amendment No. 3 to the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and

immediately pay over same to the Agency (or the Trustee); and

Whereas: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

Whereas: prior to the issuance and delivery of the Series 2011 Bonds, the Underwriters (as defined herein) will undertake efforts to apply for, and purchase, if and only if cost effective, a non-cancelable financial guaranty insurance policy (the "Bond Insurance Policy") with a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2011 Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

Whereas: Jefferies & Company, Inc., as representative of the Underwriters (the "*Underwriters*"), has offered to purchase the Series 2011 Bonds and will prepare a preliminary official statement and will prepare a final official statement with respect to the Series 2011 Bonds (the "*Official Statement*") for use in the offering of the Series 2011 Bonds by the Underwriters; and

Whereas: the terms and conditions of the proposed purchase of the Series 2011 Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "*Bond Purchase Agreement*") to be entered into by SIDA, the City, the School District and the Underwriters; and

Whereas: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("*MBBA*") for the Series 2011 Project and made a preliminary determination that financing the Series 2011 Project through the Series 2011 Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2011 Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2011 Project through the Series 2011 Bonds

rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

Whereas: the issuance of the Series 2011 Bonds is subject to the approval by the Board of Education of the City, the City, and the Commissioner of Education of the plans and specifications relative to the Series 2011 Project in accordance with the Act; and

Whereas: the issuance of the Series 2011 Bonds is subject to approval thereof by SIDA, the City and the JSCB; now, therefore, be it

Resolved: The School District hereby determines that the Series 2011 Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of Amendment No. 3 to the Installment Sale Agreement; and, be it further

Resolved: In consequence of the foregoing, the School District hereby determines to:

- a) ratify the Program Manager Agreement, as amended, in accordance with the terms hereof;
- b) grant or continue its license to SIDA to enter the Building for the purpose of undertaking and completing the Series 2011 Project pursuant to a license agreement, and sell to SIDA all Equipment necessary or attendant to the Series 2011 Project pursuant to the Bill of Sale, with such amendments or modifications as the President of the Board of Education or the Superintendent of the School District (referred to hereinafter individually and collectively as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;
- c) sell its interest in the Facilities to SIDA pursuant to Amendment No. 3 to the Installment Sale Agreement, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
- d) approve the issuance of the Series 2011 Bonds in accordance with the First Supplemental Indenture, with such amendments

or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;

- e) approve the Second Amendment to the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- g) use the proceeds of the Series 2011 Bonds to accomplish the Series 2011 Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the First Supplemental Indenture:
- h) approve a Tax Compliance Certificate, or an amendment thereto, among SIDA, the City, the JSCB and the School District (the "*Tax Compliance Certificate*"), in connection with the issuance of the Series 2011 Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2011 Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "*Continuing Disclosure Agreement*") in connection with the issuance of the Series 2011 Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "*Environmental Compliance*

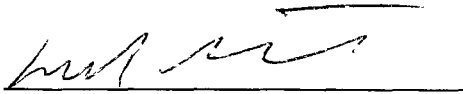
*Agreement*"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;

- k) obtain, if cost effective as set forth herein, a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
- l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2011 Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2011 Project and qualify the interest on the Series 2011 Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Amendment No. 3 to the Installment Sale Agreement, the Bond Purchase Agreement, the Series 2010 Indenture, the Second Amendment to State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "*Financing Documents*");
- m) transfer its Allocation to SIDA to be issued solely to finance all or a portion of the costs associated with the Facilities and conditioned upon SIDA issuing QSCBs in a like amount on behalf of the School District; and be it further
- n) Resolved: Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Series 2011 Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefore and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2011 Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and, be it further

- Resolved: Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Series 2011 Project by the Series 2011 Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and, be it further
- Resolved: The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2011 Bonds; and, be it further
- Resolved: In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 - 5 of this Resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further
- Resolved: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. The officials, directors, members, officers or employees of the School District, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further
- Resolved: The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval and submission to the City Common Council; and, be it further.
- Resolved: This Resolution shall take effect immediately.



*I hereby certify that the attached is a true copy of Resolution #0217-091 entitled JSCB Refinancing of Phase I Bonds adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a Regular Board Meeting on February 8, 2017 on a vote of 7 Yes; 0 No.*



*Eileen Steinhardt*

*District Clerk*

*Board of Education, Syracuse City School District*

*April 12, 2017*

*Date of Certification*



School District

**SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK**

**RESOLUTION**

Whereas: the Joint Schools Construction Board of the City and the City School District (the "JSCB"), on behalf of the City of Syracuse (the "City") and the Syracuse City School District (the "School District), previously requested, and the Syracuse Industrial Development Agency ("SIDA") did, issue and sell its revenue bonds in an aggregate principal amount of \$49,230,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of a project (the "Series 2008 Project") consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building and the design of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has now requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$75,000,000 (the "*Series 2010 Bonds*") to finance all or a portion of the costs of the second phase of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School and additions thereto, including the approximate 45 thousand square foot addition to Fowler High School, and the acquisition and installation of certain equipment, fixtures and furnishings necessary and attendant to the use of the buildings as schools by the City and the SCSD; and

Whereas: interest rates available in the national capital markets are below the rates on certain maturities of the Series 2008A Bonds and Series 2010 Bonds and the District would like to realize the savings associated with refunding all or a portion of the Series 2008A Bonds and Series 2010 Bonds (the Series 2008A Bonds and Series 2010 Bonds are collectively referred to herein as the "Refunded Bonds"); and

Whereas: the JSCB, on behalf of the City and the School District, has requested that SIDA issue and sell its revenue refunding bonds in an aggregate principal amount not to exceed \$53,000,000 (the "*Series 2017 Bonds*") to refund all or a portion of the Refunded Bonds, pay costs of issuing the Series 2017 Bonds and funding a debt service reserve for the Series 2017 Bonds; and

Whereas: Raymond James & Associates, Inc., (the "*Underwriter*") has offered to purchase the Series 2017 Bonds and will prepare a preliminary official statement and a final official statement with respect to the Series 2017 Bonds

(the "*Official Statement*") for use in the offering of the Series 2017 Bonds by the Underwriter; and

Whereas: the terms and conditions of the proposed purchase of the Series 2017 Bonds by the Underwriter will be set forth in a Bond Purchase Agreement (the "*Bond Purchase Agreement*") to be entered into by SIDA, the City, the School District and the Underwriter; and

Whereas: the issuance of the Series 2017 Bonds is subject to approval thereof by SIDA, the School District and the JSCB; now, therefore, be it

Resolved: The School District hereby approves the issuance of the Series 2017 Bonds; and, be it further

Resolved: In consequence of the foregoing, the School District hereby determines to:

- a) approve the execution and delivery of amendments to the financing documents executed by the School District in connection with the issuance of the Refunded Bonds as required to effect the refunding of all or a portion of the Refunded Bonds and the execution and delivery of all new documents required in connection with the issuance of the Series 2017 Bonds, with such amendments or modifications as the President of the Board of Education or the Superintendent of the School District (referred to hereinafter individually and collectively as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;
- b) approve the issuance of the Series 2017 Bonds in accordance with an indenture or supplemental indenture prepared in for the Series 2017 Bonds, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- c) approve all other certificates and documents required in connection with the issuance and sale of the Series 2017 Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the refunding of all or a portion of the Refunded Bonds and qualify the interest on the Series 2017 Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, the "*Financing Documents*");
- d) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- e) use the proceeds of the Series 2017 Bonds to accomplish the refunding of all or a portion of the Refunded Bonds, to pay necessary incidental expenses and

to fund the Debt Service Reserve Fund in accordance with the Financing Documents.

Resolved: The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriter in the offering of the Series 2017 Bonds; and, be it further

Resolved: In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the Financing Documents, as he or she determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further


Resolved: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. The officials, directors, members, officers or employees of the School District, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further

Resolved: The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval; and, be it further

Resolved: This Resolution shall take effect immediately.

Dated: February 8, 2017

***I hereby certify that the attached is a true copy of Resolution #0917-047 regarding JSCB Phase II Tranche I Borrowing adopted by the Board of Education of the Syracuse City School District of the City of Syracuse, New York, at a Special Board Meeting on September 27, 2017 on a vote of 7 Yes; 0 No.***



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***Eileen Steinhardt***

***District Clerk***

***Board of Education, Syracuse City School District***

***September 28, 2017***

***Date of Certification***

SYRACUSE CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
SYRACUSE, NEW YORK

WHEREAS: the Syracuse Joint School Construction Board (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006, as amended (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a financial plan in December, 2014 as amended and revised through the date hereof (the "Plan") relating to the Joint Schools Construction Program Phase II ("Phase II") as set forth in JSCB's Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's Public Schools, as amended through the date hereof (the "Program") to the Office of the Comptroller of the State of New York (the "OSC"); and

WHEREAS: the Office of the State Comptroller (OSC) approved the JSCB Phase II Financial Plan on June 18, 2015; and

WHEREAS: a revised financial plan was submitted to OSC August 14, 2017 and is currently under their review and approval is expected the week of October 2, 2017; and

WHEREAS: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consisted of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "Series 2008 Project") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$180,000,000 (the "Phase I Bonds"); and

WHEREAS: Whereas the Series 2008 Project has been completed; and

WHEREAS: The JSCB and School District now wish to authorize and undertake Projects (as defined in the Act) identified in the Program for Phase II which consist of substantial rehabilitation and reconstruction of the fourteen existing public school buildings of the School District (the "Phase II Project") and financing of the costs of the Phase II Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$300,000,000 (the "Bonds"); and

WHEREAS: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$82,000,000 (the "Series 2018A Bonds") to finance all or a portion of the costs of the reconstruction, rehabilitation and improvement of Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (the "Buildings"), including the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium, and for all four schools, the acquisition and installation of certain equipment, fixtures and furnishings, related site work, parking improvements and landscaping (the "Equipment" and with the Buildings and additions thereto, the "Facilities" or the "Tranche IA Project") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and

WHEREAS: by letter dated September 22, 2017, the State Education Department notified the School District of its approval of the Tranche IA Project; and

WHEREAS: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the City's Engineering Department and the JSCB reviewed the Tranche IA Project and the JSCB determined by resolutions adopted May 25, 2017 that the work associated with each school in the Tranche IA Project were Unlisted Actions that will not have a significant adverse environmental impact and a Negative Declaration was issued for each; and

WHEREAS: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, entered into a Program Manager Agreement dated August 28, 2015 with Turner Construction Company for Phase II of the Program, as the same may be amended or supplemented from time to time (the "Program Manager Agreement"); and

WHEREAS: SIDA, by the terms of an indenture or supplemental indenture prepared for the Series 2018A Bonds (the "Indenture") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Amendment No. 5 to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the Indenture), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2018A Bonds; and

WHEREAS: SIDA, the City, the School District and the JSCB will enter into Amendment No. 5 to the Installment Sale Agreement (Tranche IA Project) ("Amendment No. 5 to Installment Sale Agreement"), pursuant to which SIDA will sell its interest in the Tranche IA Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Tranche IA Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2018A Bonds and other amounts due under Amendment No. 4 to the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Amendment No. 5 to the Installment Sale Agreement); and

WHEREAS: the City and the School District will enter into a Third Amendment to State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "Depository") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2018A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund, if any, and the balance to the General Fund (as defined therein); and

WHEREAS: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under Amendment No. 5 to the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

WHEREAS: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

WHEREAS: prior to the issuance and delivery of the Series 2018A Bonds, the Underwriters (as defined herein) will undertake efforts to apply for, and purchase, if and only if cost effective, a non-cancelable financial guaranty insurance policy (the "Bond Insurance Policy") with a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2018A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS: Raymond James & Associates, Inc., as representative of the Underwriters (the "Underwriters"), has offered to purchase the Series 2018A Bonds and will prepare a preliminary official statement and will prepare a final official statement with respect to the Series 2018A Bonds (the "Official Statement") for use in the offering of the Series 2018A Bonds by the Underwriters; and

WHEREAS: the terms and conditions of the proposed purchase of the Series 2018A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by SIDA, the City, the School District and the Underwriters; and

WHEREAS: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("MBBA") for the Tranche IA Project and made a preliminary determination that financing the Tranche IA Project through the Series 2018A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Tranche IA Project through the Series 2018A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to the approval by the Board of Education of the City, the City, and the Commissioner of Education of the plans and specifications relative to the Tranche IA Project in accordance with the Act; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to approval thereof by SIDA, the City and the JSCB; now, therefore, be it

RESOLVED: The School District hereby determines that the Tranche IA Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of Amendment No. 5 to the Installment Sale Agreement; and, be it further

RESOLVED: In consequence of the foregoing, the School District hereby determines to:

- (a) ratify the Program Manager Agreement, as amended, in accordance with the terms hereof;
- (b) grant or continue its license to SIDA to enter the Building for the purpose of undertaking and completing the Tranche IA Project pursuant to a license agreement, and sell to SIDA all Equipment necessary or attendant to the Tranche IA Project pursuant to the Bill of Sale, with such amendments or modifications as the President of the Board of Education or the Superintendent of the School District (referred to hereinafter individually and collectively as an "Authorized Officer") deems necessary under the circumstances upon advice of the Corporation Counsel;
- (c) sell its interest in the Facilities to SIDA pursuant to Amendment No. 5 to the Installment Sale Agreement, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
- (d) approve the issuance of the Series 2018A Bonds in accordance with the Indenture, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;



- (e) approve the Third Amendment to the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
- (g) use the proceeds of the Series 2018A Bonds to accomplish the Tranche IA Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;
- (h) approve a Tax Compliance Certificate, or an amendment thereto, among SIDA, the City, the JSCB and the School District (the "Tax Compliance Certificate"), in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2018A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "Continuing Disclosure Agreement") in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "Environmental Compliance Agreement"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
- (k) obtain, if cost effective as set forth herein, a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
- (l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2018A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Tranche IA Project and qualify the interest on the Series 2018A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Amendment No. 5 to the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the Third Amendment to State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "Financing Documents"); and, be it further

**RESOLVED:** Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Tranche IA Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefore and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing

available from MBBA with the costs of the Series 2018A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and, be it further

RESOLVED: Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Tranche IA Project by the Series 2018A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and, be it further

RESOLVED: The School District hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the School District of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2018A Bonds; and, be it further

RESOLVED: In addition to the authority hereinabove granted, the Authorized Officer of the School District is hereby authorized and directed, for and in the name and on behalf of the School District, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 - 5 of this Resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further

RESOLVED: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the School District in his or her individual capacity. The officials, directors, members, officers or employees of the School District, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the School District, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further

RESOLVED: The Superintendent of the School District is hereby authorized to transmit this Resolution to the Commissioner of Finance of the City for approval and submission to the City Common Council; and, be it further

RESOLVED: This Resolution shall take effect immediately.

Dated: September 27, 2017

Bonadio & Co., LLP

February 23, 2018

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council  
Syracuse, New York

We agree to the inclusion in the Preliminary Official Statement dated February 23, 2018 relating to the issuance of \$67,120,000 City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, of our report, dated December 14, 2017, on our audit of the financial statements of the City School District, City of Syracuse, New York as of June 30, 2017 and for the year then ended.

*Bonadio & Co., LLP*

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

February 23, 2018

To the City of Syracuse:

We have performed the procedures enumerated below, which were agreed to by City School District of Syracuse, New York (the "Syracuse CSD") (the specified party), on the Preliminary Official Statement (the "Preliminary Official Statement"), dated February 23, 2018, related to the issuance of City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Tax Exempt Bonds) (Syracuse City School District Project), Series 2018A. Syracuse CSD and the City of Syracuse management is responsible for the information contained in the Preliminary Official Statement. The sufficiency of these procedures is solely the responsibility of the Syracuse CSD and the City of Syracuse. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. We have read the 2016 - 2017 and 2017 - 2018 minutes of the meetings of the Syracuse CSD set forth in the minute records as of February 23, 2018, officials of the Syracuse CSD having advised us that the minutes of all such meeting through that date were set forth therein; we have inquired of, and received assurance from Syracuse CSD officials who have responsibility for financial and accounting matters, that no audited financial statements as of any date or for any period subsequent to June 30, 2017 have been issued, and that there has been no subsequent events from the period July 1, 2017 – February 23, 2018 that would materially affect the Syracuse CSD's financial position.
2. We have read the following items in the Preliminary Official Statement under the designated headings.
  - a. Under the heading, "State Aid to Education - *General*" - With respect to the amount of State Aid estimated to be received by the Syracuse CSD for the year ended June 30, 2018 and approximate average over the past five fiscal years we (a) compared the amount to be received to the Syracuse CSD's projection for the 2017-2018 fiscal year and (b) totaled the State Aid per the Syracuse CSD's audited financial statements for the fiscal years ended June 30, 2013 through 2017 and recomputed the annual average and found such to be in agreement.

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(Continued)

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**  
(Continued)

- b. Under the heading "SCSD Financial Plan" – With respect to the \$417.6 million budget for the 2017-2018 fiscal year, we traced such numbers to the adopted budget and found such to be in agreement. With respect to the forecasted numbers, we traced such numbers to the Syracuse CSD financial forecast 2016-17 to 2020-21 and found such to be in agreement with the forecast prepared in January 2018.
- c. Under the heading "Employee Benefit Plans" - With respect to contributions to the Employees' Retirement System and New York State Teachers' Retirement System, we traced noted amounts to the respective financial statement disclosures for the fiscal years ending June 30, 2013 through 2017 and traced the estimated contributions for the fiscal year ending June 30, 2018 to the Syracuse CSD's projection and found such amounts to be in agreement.
- d. Under the heading, "State Aid to Education - *General*" - With respect to the Syracuse CSD budget for fiscal 2017-2018 we recomputed the percent of revenues to be received in the form of State Aid to Education and noted it to be 80.1%.
- e. Under the heading, "SCSD General Fund Results of Operations - Year Ended June 30, 2017" - With respect to the results enumerated in the General Fund Results of Operations, we traced all noted amounts to the audited financial statements as of June 30, 2017 and for the year then ended and found such amounts to be in agreement.
- f. Under the heading, "Revenue Anticipation Notes" - With respect to the amount and purpose of Revenue Anticipation Notes issued by the City subsequent to June 30, 2017, we agreed the stated amounts and purposes to the official offering statements for the issuance of such debt.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Syracuse CSD and is not intended to be and should not be used by anyone other than this specified party.

*Bonadio & Co., LLP*

March 2, 2018

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council  
Syracuse, New York

We agree to the inclusion in the Official Statement dated March 2, 2018 relating to the issuance of \$67,265,000 City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, of our report, dated December 14, 2017, on our audit of the financial statements of the City School District, City of Syracuse, New York as of June 30, 2017 and for the year then ended.

*Bonadio & Co., LLP*

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

March 2, 2018

To the City of Syracuse:

We have performed the procedures enumerated below, which were agreed to by City School District of Syracuse, New York (the "Syracuse CSD") (the specified party), on the Official Statement (the "Official Statement"), dated March 2, 2018, related to the issuance of City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Tax Exempt Bonds) (Syracuse City School District Project), Series 2018A. Syracuse CSD and the City of Syracuse management is responsible for the information contained in the Official Statement. The sufficiency of these procedures is solely the responsibility of the Syracuse CSD and the City of Syracuse. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. We have read the 2016 - 2017 and 2017 - 2018 minutes of the meetings of the Syracuse CSD set forth in the minute records as of February 23, 2018, officials of the Syracuse CSD having advised us that the minutes of all such meeting through that date were set forth therein; we have inquired of, and received assurance from Syracuse CSD officials who have responsibility for financial and accounting matters, that no audited financial statements as of any date or for any period subsequent to June 30, 2017 have been issued, and that there has been no subsequent events from the period July 1, 2017 – March 2, 2018 that would materially affect the Syracuse CSD's financial position.
2. We have read the following items in the Official Statement under the designated headings.
  - a. Under the heading, "State Aid to Education - *General*" - With respect to the amount of State Aid estimated to be received by the Syracuse CSD for the year ended June 30, 2018 and approximate average over the past five fiscal years we (a) compared the amount to be received to the Syracuse CSD's projection for the 2017-2018 fiscal year and (b) totaled the State Aid per the Syracuse CSD's audited financial statements for the fiscal years ended June 30, 2013 through 2017 and recomputed the annual average and found such to be in agreement.

(Continued)

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**  
(Continued)

- b. Under the heading "SCSD Financial Plan" – With respect to the \$417.6 million budget for the 2017-2018 fiscal year, we traced such numbers to the adopted budget and found such to be in agreement. With respect to the forecasted numbers, we traced such numbers to the Syracuse CSD financial forecast 2016-17 to 2020-21 and found such to be in agreement with the forecast prepared in January 2018.
- c. Under the heading "Employee Benefit Plans" - With respect to contributions to the Employees' Retirement System and New York State Teachers' Retirement System, we traced noted amounts to the respective financial statement disclosures for the fiscal years ending June 30, 2013 through 2017 and traced the estimated contributions for the fiscal year ending June 30, 2018 to the Syracuse CSD's projection and found such amounts to be in agreement.
- d. Under the heading, "State Aid to Education - *General*" - With respect to the Syracuse CSD budget for fiscal 2017-2018 we recomputed the percent of revenues to be received in the form of State Aid to Education and noted it to be 80.1%.
- e. Under the heading, "SCSD General Fund Results of Operations - Year Ended June 30, 2017" - With respect to the results enumerated in the General Fund Results of Operations, we traced all noted amounts to the audited financial statements as of June 30, 2017 and for the year then ended and found such amounts to be in agreement.
- f. Under the heading, "Revenue Anticipation Notes" - With respect to the amount and purpose of Revenue Anticipation Notes issued by the City subsequent to June 30, 2017, we agreed the stated amounts and purposes to the official offering statements for the issuance of such debt.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Syracuse CSD and is not intended to be and should not be used by anyone other than this specified party.

*Bonadio & Co., LLP*



**CERTIFICATE OF THE SCSD WITH  
RESPECT TO PROJECT APPROVALS**

The undersigned, as authorized agent of the City School District of the City of Syracuse (the “**SCSD**”) **DOES HEREBY CERTIFY THAT** attached hereto at **Exhibit “A”** are true, complete and correct copies of:

- (a) the approval from the State Commissioner of Education of Plans and Specifications for construction of the Series 2018A Project (including State Aid Form-4, Building Permit, Bond Certificate and Letter of Intent together with Project Control Number);
- (b) certification executed by Executive Director of the New York State Municipal Bond Bank Agency to the State Commission of Education required under Section 3602(6)(e)(5)(iii) of the Education Law as amended by the Syracuse Schools Act; and
- (c) the approval of the Office of the State Comptroller with respect to the financial plan submitted in connection with the Series 2018A Project.

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, by and among the Agency, the City of Syracuse (the “**City**”), the City School District of the City of Syracuse (the “**SCSD**”) and the Syracuse Joint Schools Construction Board (the “**JSCB**” and together with the City and the JSCB, collectively, the “**School Parties**”), (the “**Original Agreement**”), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009, by and among the Agency and the School Parties (the “**First Amended Agreement**”), as further amended by Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010, by and among the Agency and the School Parties (the “**Second Amended Agreement**”), and as further amended by Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011, by and among the Agency and the School Parties (the “**Third Amended Agreement**”), as further amended by Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017, by and among the Agency and the School Parties (the “**Fourth Amended Agreement**”); and as further amended by Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018, by and among the Agency and the School Parties (the “**Fifth Amended Agreement**” together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, collectively referred to as the “**Installment Sale Agreement**”).

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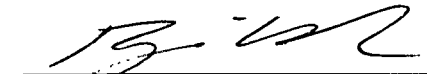
IN WITNESS THEREOF, the undersigned has hereunto set his hand this 15  
day of March, 2018.

**Acknowledged:  
CITY SCHOOL DISTRICT OF  
THE CITY OF SYRACUSE**

By: \_\_\_\_\_  
Suzanne Slack,  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,**  
its duly authorized agent

By:   
\_\_\_\_\_ **Benjamin Walsh, Chairperson**

IN WITNESS THEREOF, the undersigned has hereunto set his hand this 15  
day of March, 2018.

**Acknowledged:**  
**CITY SCHOOL DISTRICT OF**  
**THE CITY OF SYRACUSE**

By: Suzanne Slack  
Suzanne Slack,  
Chief Financial Officer

**CITY SCHOOL DISTRICT OF CITY OF**  
**SYRACUSE**

By: **SYRACUSE JOINT SCHOOLS**  
**CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Benjamin Walsh, Chairperson

EXHIBIT "A"



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK**

---

Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234

Tel. (518) 474-3906

Fax (518) 486-5918

Website: <http://www.p12.nysed.gov/facplan/>

# **BUILDING PERMIT**

ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:

**PERMIT NO.:** 17-0110                      **DATE ISSUED:** 09/22/17

**DISTRICT:**                      **Syracuse City School District**

**BUILDING:**                      **Frazer Elementary School**

**ADDRESS:**                      **741 Park Ave.**  
**Syracuse, N.Y. 13210**

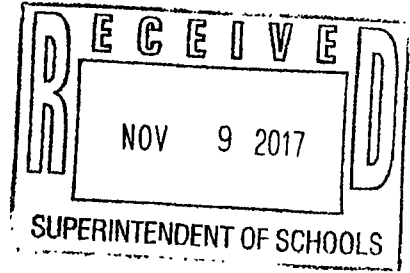
(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)



Office of Facilities Planning, Room 1060 Education Building Annex  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

November 7, 2017

Mr. Jaime Alicea  
Superintendent  
Syracuse City School District  
725 Harrison Street  
Syracuse, N.Y. 13210



### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Frazer Elementary School

Facilities Planning Project Control Number

|                    |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|---|---|
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| District BEDS Code |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |   |   |

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning for three (3) years. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

**During Construction** - Supervision by the architect or engineer (A/E) during construction is required by Subdivision 3 of Section 7209 of the Education Law and includes ensuring that construction work is in accordance with the construction contract documents. Detailed Supervision Guidelines describing the elements of this on-site supervision are available on the Office of Facilities Planning web site.

**Construction Inspections** – Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b mandates construction inspections at such times as will permit the observation of the foundation, and building elements and utilities prior to final inspection. The purpose of such inspections is to ensure work in accordance with the construction contract documents and compliance with the Building Code of New York State. Therefore, it is incumbent on the A/E to make such periodic observations as are necessary for the A/E to execute the Certification of Substantial Completion Form (see below).

To assist in developing essential records of the construction inspection activities, two different forms are attached: #1, a Capital Project Inspection Report for each individual inspection (reproduce necessary additional copies) and #2, a Capital Project Summary of Inspections. These forms (or something essentially equivalent) shall be delivered by the A/E to the school district at the time of Substantial Completion and shall be retained by the district as part of the official project record, available for review by the Commissioner on request.

**Certification of Substantial Completion** - When the construction work is nearing completion, the Architect/Engineer (A/E) (who is supervising the construction work pursuant to the provisions of Subdivision 3 of Section 7209 of the Education Law) must execute a "Partial Certification of Substantial Completion", form FP-PCSC, or a "Final Certification of Substantial Completion", form FP-FCSC, when it is appropriate to do so. A copy of each form is enclosed. Carefully retain these documents for future use.

Note that "Substantial Completion" is a specific condition at a specific time. Definitions of the American Institute of Architects (AIA), The National Society of Professional Engineers, The American Consulting Engineers Council, and the Construction Specification Institute are essentially the same. The AIA definition is, "The date of substantial completion of work or designated portion thereof is the date certified by the architect when construction is sufficiently complete, in accordance with the contract documents, so the owner can occupy or utilize the work or designated portion thereof for the use for which it is intended."

**Assurances** - Various assurances are printed on the reverse side of Form FP-CSC. The A/E shall sign those assurances relating to change orders; supervision pursuant to Education Law, Section 7209 and the contract with the school district; and construction inspections pursuant to Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b.

The Superintendent of Schools shall sign those assurances relating to proper monitoring of the project by a Construction Manager (if any); and a Clerk of the Works (if any) pursuant to contracts with the school district, (the usual duties of a Construction Manager and Clerk of the Works are included in the detailed Supervision Guidelines referenced above); and (if applicable) acknowledgement of the need of a Certificate of Occupancy prior to occupancy of any new building or addition (if applicable). In the case of reconstruction projects, Final Certification of Substantial Completion, form FP-FCSC, should not be submitted until the entire project is substantially complete (i.e., there should be no qualifications on the form). In the case of a new building or an addition, where parts of a project may be occupied initially, use Partial Certification of Substantial Completion, form FP-PCSC and designate which portions of the project are not substantially complete. Subsequently occupied portions shall be certified when substantially complete. Final Certification of Substantial Completion, form FP-FCSC must be submitted when the entire project is substantially complete.

**Fire Safety Inspection and Report** - A fire safety inspection and report thereof is required for new buildings and additions. Immediately subsequent to the determination by the A/E that the work is substantially complete for the use of which it is intended, the school district shall cause a fire/safety inspection to be made of the whole occupied portion of the building. This inspection shall use the Fire Safety Report form. The Fire Safety Report form is available on the Office of Facilities Planning web site. If you have questions about completing this form please call the Fire/Safety Unit at (518) 474-3906. Carefully retain the form until needed at the time of substantial completion. See "Occupancy", below.

**Occupancy** - No building or portion thereof shall be occupied unless a valid Certificate of Occupancy (CO) has been issued by the Commissioner (Commissioner's Regulation 155.4e). To obtain a CO, send either a Partial Certification of Substantial Completion (form FP-PCSC) if a portion of the new space is being occupied, or a Final Certification of Substantial Completion (form FP-FCSC) if the entire new space is being occupied, together with the Fire/Safety Report form, to the Office of Facilities Planning. Upon submission of a satisfactory Fire/Safety Report, a Certificate of Occupancy will be issued which will "bridge" to the date of the regular annual fire/safety inspection process. In the case of occupancy of an addition, if the "Building Project" Fire Safety Report and the annual Fire Safety Report are due at essentially the same time, contact your project manager.

**Final Building Project Report** - A Final Building Project Report is required for every project for which a building permit is issued.

A copy of the Final Building Project Report form is available on the Office of Facilities Planning web site at [www.p12.nysed.gov/facplan/](http://www.p12.nysed.gov/facplan/) under Finance/QZAB/QSCB, Final Cost Report Workbook. All sources of funds and expenditures, regardless of cost, shall be reported, however, the report must not be filed until all bills are paid and the capital account has been closed.

Record the Project Control Number on the top of the form and return it directly to the State Aid Office soon after the construction work is complete and paid for.

If this project involves both additions and alterations, expenses must be submitted under each of these categories. Building aid eligibility, as determined pursuant to Section 3602 of the Education Law, is calculated separately for additions and for alterations. Careful attention to submitting the report with proper breakdown will eliminate much delay and confusion in processing building aid applications and will assure that the district receives proper allocation of building aid.

Sincerely,



MaryEllen Elia  
Commissioner of Education





THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK

Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

BOND CERTIFICATE

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District  
County of District: Onondaga  
Name of Building: Frazer Elementary School

Facilities Planning Project Control Number

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | 2 | 1 | 8 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 9 | 0 | 1 | 1 | 1 | 7 | 0 | 1 | 1 | 0 | 0 | 9 | 2 | 2 | 1 | 7 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

District BEDS Code      Facility Code      Project No.      Review Number      Approval Date

PLEASE USE THIS NUMBER in all correspondence to the State Education Department concerning this project.

MaryEllen Elia  
Commissioner of Education



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FINAL CERTIFICATION OF SUBSTANTIAL COMPLETION

A school district capital construction project approved by the Commissioner of Education shall be constructed in accordance with plans and specifications which incorporate applicable provisions of the New York State Uniform Fire Prevention and Building Code, the New York State Energy Conservation Construction Code, and Education Department construction standards.

At the time of Final Substantial Completion of a project, the architect or engineer shall execute three (3) copies of this form including the assurances on the reverse side. Distribution: Office of Facilities Planning, School District, Architect or Engineer.

- 1. Name of District: Syracuse City School District
2. County of District: Onondaga
3. Name of Building: Frazer Elementary School

Facilities Planning Project Control Number

Table with 22 columns and 1 row containing project control number digits: 4 2 1 8 0 0 0 1 0 0 0 9 0 1 1 1 7 0 1 1 0 0 9 2 2 1 7. Labels below: District BEDS Code, Facility Code, Project No, Review Number, Approval Date.

I, the undersigned [Architect] [Engineer] certify on the basis of an inspection [date] that work performed on this project, has been reviewed and found to be substantially complete, and that the Date of Substantial Completion of the Project, as defined below, is

Definition: Date of Substantial Completion of the Project, is the date certified by the Architect or Engineer when the construction is Code compliant and substantially complete in accordance with the Contract Documents so the school district can occupy or utilize the project for its intended use.

Signature [Architect] [Engineer]

Firm

Address

Seal of Architect or Engineer

Date Phone

**Certifications by Architect or Engineer:**

The undersigned architect or engineer makes the following certifications:

1. This public works project has been supervised pursuant to Subdivision 3 of Section 7209 of the Education Law and pursuant to contract with the school district for professional services.
2. Construction inspections pursuant to 19NYCRR Section 1203.3(d) and Section 1704, Special Inspections, of the Building Code of NYS have been performed on this project. Records for each individual inspection and a complete report of all individual inspections have been delivered to the school district.
3. Pursuant to the Energy Conservation Construction Code of New York State, all required HVAC tests, system balancing, commissioning, etc., have been performed and that, in the professional opinion of the registered design professional, the system is operating as designed.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Architect     Engineer  
(Select appropriate designation.)

**Assurances of Superintendent of Schools:**

The undersigned superintendent of schools makes the following assurances:

1. In the case of the project having a Clerk of the Works, the Clerk of the Works (name) \_\_\_\_\_, has properly monitored the project pursuant to contract with the school district for services.
2. In the case of the project having a Construction Manager, the Construction Manager (name) \_\_\_\_\_, has properly monitored the project pursuant to contract with the school district for services.
3. In the case of a new building or addition, a Fire Safety report has been completed and submitted, and the need of a Certificate of Occupancy prior to occupancy or use is acknowledged.
4. If none of the above are applicable, check here:

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



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Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234  
 Tel. (518) 474-3906  
 Fax (518) 486-5918  
 Website: <http://www.p12.nysed.gov/facplan/>

**PARTIAL CERTIFICATION OF SUBSTANTIAL COMPLETION**

A school district capital construction project approved by the Commissioner of Education shall be constructed in accordance with plans and specifications which incorporate applicable provisions of the New York State Uniform Fire Prevention and Building Code, the New York State Energy Conservation Construction Code, and Education Department construction standards.

At the time of Partial Substantial Completion of a project, the architect or engineer shall execute three (3) copies of this form. Distribution: Office of Facilities Planning, School District, Architect or Engineer.

1. Name of District: Syracuse City School District
2. County of District: Onondaga
3. Name of Building: Frazer Elementary School

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |            |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|------------|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 0 | 0 | 9          | 0 | 1 | 1             | 1 | 7 | 0 | 1             | 1 | 0 | 0 | 9 | 2 | 2 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |

I, the undersigned [Architect] [Engineer] certify on the basis of an inspection \_\_\_\_\_ [date] that work performed on this project, has been reviewed and found to be substantially complete, and that the Date of Partial Substantial Completion of the Project, as defined below, is \_\_\_\_\_.

Definition: Date of Partial Substantial Completion of the Project, is the date certified by the Architect or Engineer when portions of the construction are Code compliant and substantially complete in accordance with the Contract Documents so the school district can occupy or utilize those portions of the project, for their intended use.

Signature \_\_\_\_\_  
 [Architect] [Engineer]

Firm \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Seal of Architect or Engineer

Date \_\_\_\_\_ Phone \_\_\_\_\_

Use space below to designate specific portions which are NOT included in the certification. Submit subsequent certification when these portions are substantially complete.

**Certifications by Architect or Engineer:**

The undersigned architect or engineer makes the following certifications:

- 1. This public works project has been supervised pursuant to Subdivision 3 of Section 7209 of the Education Law and pursuant to contract with the school district for professional services.
- 2. Construction inspections pursuant to 19NYCRR Section 1203.3(d) and Section 1704, Special Inspections, of the Building Code of NYS have been performed on this project. Records for each individual inspection and a complete report of all individual inspections have been delivered to the school district.
- 3. Pursuant to the Energy Conservation Construction Code of New York State, all required HVAC tests, system balancing, commissioning, etc., have been performed and that, in the professional opinion of the registered design professional, the system is operating as designed.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Architect     Engineer  
(Select appropriate designation.)

**Assurances of Superintendent of Schools:**

The undersigned superintendent of schools makes the following assurances:

- 1. In the case of the project having a Clerk of the Works, the Clerk of the Works (name) \_\_\_\_\_, has properly monitored the project pursuant to contract with the school district for services.
- 2. In the case of the project having a Construction Manager, the Construction Manager (name) \_\_\_\_\_, has properly monitored the project pursuant to contract with the school district for services.
- 3. In the case of a new building or addition, a Fire Safety Report has been completed and submitted, and the need of a Certificate of Occupancy prior to occupancy or use is acknowledged.
- 4. If none of the above are applicable, check here:

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



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**REQUEST FOR REVISION OF FINANCIAL INFORMATION**

(Use This Form to Revise SA-4)

- Use this form when it is necessary to request a revision of the financial information previously submitted to Facilities Planning on the Application for Examination and Approval of Final Plans and Specifications (Form FP-F), such as immediately after construction contracts are signed or when the Final Building Expenditure Report for the project is filed.
- Each request that increases the total amount allocated to a particular project must be accompanied by proof of authorization of funding for that project.
- Please read the instructions on the back of this form before completing it.

1. Name of District: Syracuse City School District  
Onondaga
2. County of District:
3. Name (or type) of building: Frazer Elementary School
4. Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 0 | 0 | 9           | 0 | 1 | 1 | 1             | 7 | 0 | 1 | 1             | 0 | 0 | 9 | 2 | 2 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

Amounts of larger bond issue or line item:

291,500,000 Bonds      0 Budget Appropriation      07/12/17 Date of Orig. Authorization

0 Capital Reserve      0 Other      \_\_\_\_\_ Date of Supplemental Authorization

**METHOD OF FINANCING**

1. Bonds/BANS/Capital Notes
  2. Budgetary Appropriation
  3. Capital Reserve Fund
  - 4a. Other (specify)
  - 4b. Other (specify)
  - 4c. Other (specify)
- TOTAL FINANCING (Total of Items 1-4)**

|   | COLUMN A         | COLUMN B | COLUMN C |
|---|------------------|----------|----------|
| 1.  | 5,120,000        |          |          |
| 2.  | 0                |          |          |
| 3.  | 0                |          |          |
| 4a.   | 0                |          |          |
| 4b.   | 0                |          |          |
| 4c.   | 0                |          |          |
| <b>TOTAL FINANCING (Total of Items 1-4)</b> | <b>5,120,000</b> |          |          |

**PROJECT COSTS**

5. Construction (New Building/Addition)
  6. Construction (Alteration/Reconstruction)
  7. Incidental (New Building/Addition)
  8. Incidental (Alteration/Reconstruction)
  9. Total (New Building/Addition)
  10. Total (Alteration/Reconstruction)
- TOTAL PROJECT (Total of Items 5-10)**

|  | COLUMN A         | COLUMN B | COLUMN C |
|--|------------------|----------|----------|
| 5.   | 0                |          |          |
| 6.   | 2,120,000        |          |          |
| 7.   | 0                |          |          |
| 8.   | 3,000,000        |          |          |
| 9.   | 0                |          |          |
| 10.  | 5,120,000        |          |          |
| <b>TOTAL PROJECT (Total of Items 5-10)</b> | <b>5,120,000</b> |          |          |

5. \_\_\_\_\_ ( ) Phone Number  
Contact person for Question Regarding this Form (PLEASE PRINT)
6. PRINT: President, Board of Education      Signature of Board President      Date
7. \_\_\_\_\_ Signature of Superintendent      Date  
PRINT: Superintendent of Schools

**FOR EDUCATION DEPARTMENT USE ONLY:**

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

## Instructions

### A. General

Two copies of this form, properly executed, shall be submitted to the Facilities Planning when the total of approved sources of funds must be increased to be equal to, or greater than, expenditures for the project.

This circumstance may not occur at all, but could occur on a maximum of two occasions: 1) When Form SA-139 is submitted to the Division of Finance immediately subsequent to signing construction contracts, and/or 2) When the Final Building Project Report is sent to Facilities Planning.

### B. Relating to filing Form SA-139, Request for Building Data, with the General Aids and Services Office:

- 1) This Request for Revision of Financial Information shall be submitted prior to submitting form SA-139:
  - a) If the total project cost to be reported on the SA-139 exceeds the sum of lines 1-4, which are reported on the form SA-4, and/or
  - b) If there is any change in the method(s) or amount(s) of financing as reported on form SA-4.
- 2) The total project costs cannot legally exceed the approved authorization. Any additional funds required must be properly authorized by the voters of a non-city district or the board of education of a city district.

Each necessary additional authorization shall be properly documented. This documentation shall be a copy of the board resolution if a city district, or, if a non-city district, a copy of the actual language of the resolution which was placed before the voters at a special referendum; or a copy of the Popular Budget, and a copy of the SBM-1, if the approval occurred at the annual meeting.

### C. Relating to filing the Final Building Project Report to Facilities Planning at the completion of the work.

- 1) A Request for Revision of Financial Information shall be submitted together with the Final Building Project Report:
  - a) If the Grand Total of revenues (line "v" of page 21 of the Final Building Project Report) is less than the Grand Total of expenses (line "u" of page 22), and/or
  - b) If there is any change in the method(s) or amount(s) of financing as reported on form SA-4 (See A, above).
- 2) Each necessary additional authorization shall be properly documented. This documentation shall be a copy of the board of resolution if a city district; or, if a non-city district, a copy of the actual language of the resolution which was placed before the voters at a special referendum; or a copy of the Popular Budget, and a copy of the SBM-1, if the approval occurred at the annual meeting.

### D. Instructions for Completing Items #1 through #6 and Column A, B, and C: (Copy the information exactly as it appeared on the SA-4, which was sent to the district at the beginning of the project).

- |            |    |   |
|------------|----|---|
| #1, #2, #3 | -- | Record the district's popular name, county of location, and name of building being reported.  |
| #4         | -- | Enter the 27-digit number which appears as item #4 on forms SA-4.   |
| Column A   | -- | Record the amounts on lines #1 - #12 exactly as they appear on the SA-4.  |
| Column B   | -- | Items #1 - 5: Report new and/or additional methods of financing by entering the appropriate dollar amounts which are being <u>added</u> . |
|            | -- | Items #6 - 12: Report new project costs by entering the appropriate dollar amounts which are being <u>added</u> .                         |
| Column C   | -- | Items #1 - 12: Enter the new totals obtained by adding the figures in Column A and Column B.  |
| #5         | -- | Enter the name and telephone number of the person in the district that should be contacted concerning questions about this project.       |
| #6         | -- | The President of the Board of Education and Superintendent of Schools must sign and date this form  |



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK**

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Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

**CAPITAL PROJECT SUMMARY OF INSPECTION**

Facilities Planning Project Control Number

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | 2 | 1 | 8 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 9 | 0 | 1 | 1 | 1 | 7 | 0 | 1 | 1 | 0 | 0 | 9 | 2 | 2 | 1 | 7 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

District BEDS Code

Facility Code

Project No.

Review Number

Approval Date

School District: Syracuse City School District

Project Name: Frazer Elementary School, Additions and Alterations

List the dates of each individual inspection below.

Retain this report on file as part of the official project record, and available for review by the Commissioner on request.

foundations -- dates: \_\_\_\_\_

\_\_\_\_\_

structural elements -- dates: \_\_\_\_\_

\_\_\_\_\_

electrical inspections -- dates: \_\_\_\_\_

\_\_\_\_\_

heating, ventilation and air conditions systems -- dates: \_\_\_\_\_

\_\_\_\_\_

plumbing systems -- dates: \_\_\_\_\_

\_\_\_\_\_

fire protection and detection systems -- dates: \_\_\_\_\_

\_\_\_\_\_

exiting features -- dates: \_\_\_\_\_

\_\_\_\_\_

other (describe) -- dates: \_\_\_\_\_

other (describe) -- dates: \_\_\_\_\_

other (describe) -- dates: \_\_\_\_\_





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Website: <http://www.p12.nysed.gov/facplan/>

**CAPITAL PROJECT INSPECTION**

Facilities Planning Project Control Number

|                    |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0             | 0 | 0 | 1 | 0           | 0 | 0 | 9 | 0             | 1 | 1 | 1 | 7             | 0 | 1 | 1 | 0 | 0 | 9 | 2 | 2 | 1 | 7 |
| District BEDS Code |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |   |   |

School District: Syracuse City School District

Project Name: Frazer Elementary School, Additions and Alterations

Date of Inspection:

Retain this report on file as part of the official project record, and available for review by the Commissioner on request.

Type(s) of Inspection (check all that apply):

- foundations
- plumbing systems
- structural elements
- fire protection and detection
- electrical systems
- exiting features
- heating, ventilation, air conditioning systems
- other

Comments: Note all discrepancies or nonconformances to code. Also note final disposition of each.

Name and Title of Inspector:

Signature of Inspector:

Date:



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Tel. (518) 474-3906

Fax (518) 486-5918

Website: <http://www.p12.nysed.gov/facplan/>

# **BUILDING PERMIT**

ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:

**PERMIT NO.:** 17-0362                      **DATE ISSUED:** 09/22/17

**DISTRICT:** Syracuse City School District

**BUILDING:** Grant Junior High School

**ADDRESS:** 2400 Grant Blvd  
Syracuse, N.Y. 13210

(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)



Office of Facilities Planning, Room 1060 Education Building Annex  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

November 28, 2017

Mr. Jaime Alicea  
Superintendent  
Syracuse City School District  
725 Harrison Street  
Syracuse, N.Y. 13210

### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Grant Junior High School

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |             |   |   |               |   |   |   |               |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|-------------|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 1 | 1           | 2 | 0 | 1             | 2 | 1 | 7 | 0             | 3 | 6 | 2 | 0 | 9 | 2 | 2 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   | Project No. |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |   |   |

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning for three (3) years. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

---

**During Construction** - Supervision by the architect or engineer (A/E) during construction is required by Subdivision 3 of Section 7209 of the Education Law and includes ensuring that construction work is in accordance with the construction contract documents. Detailed Supervision Guidelines describing the elements of this on-site supervision are available on the Office of Facilities Planning web site.

**Construction Inspections** – Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b mandates construction inspections at such times as will permit the observation of the foundation, and building elements and utilities prior to final inspection. The purpose of such inspections is to ensure work in accordance with the construction contract documents and compliance with the Building Code of New York State. Therefore, it is incumbent on the A/E to make such periodic observations as are necessary for the A/E to execute the Certification of Substantial Completion Form (see below).

To assist in developing essential records of the construction inspection activities, two different forms are attached: #1, a Capital Project Inspection Report for each individual inspection (reproduce necessary additional copies) and #2, a Capital Project Summary of Inspections. These forms (or something essentially equivalent) shall be delivered by the A/E to the school district at the time of Substantial Completion and shall be retained by the district as part of the official project record, available for review by the Commissioner on request.

**Certification of Substantial Completion** - When the construction work is nearing completion, the Architect/Engineer (A/E) (who is supervising the construction work pursuant to the provisions of Subdivision 3 of Section 7209 of the Education Law) must execute a "Partial Certification of Substantial Completion", form FP-PCSC, or a "Final Certification of Substantial Completion", form FP-FCSC, when it is appropriate to do so. A copy of each form is enclosed. Carefully retain these documents for future use.

Note that "Substantial Completion" is a specific condition at a specific time. Definitions of the American Institute of Architects (AIA), The National Society of Professional Engineers, The American Consulting Engineers Council, and the Construction Specification Institute are essentially the same. The AIA definition is, "The date of substantial completion of work or designated portion thereof is the date certified by the architect when construction is sufficiently complete, in accordance with the contract documents, so the owner can occupy or utilize the work or designated portion thereof for the use for which it is intended."

**Assurances** - Various assurances are printed on the reverse side of Form FP-CSC. The A/E shall sign those assurances relating to change orders; supervision pursuant to Education Law, Section 7209 and the contract with the school district; and construction inspections pursuant to Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b.

The Superintendent of Schools shall sign those assurances relating to proper monitoring of the project by a Construction Manager (if any); and a Clerk of the Works (if any) pursuant to contracts with the school district, (the usual duties of a Construction Manager and Clerk of the Works are included in the detailed Supervision Guidelines referenced above); and (if applicable) acknowledgement of the need of a Certificate of Occupancy prior to occupancy of any new building or addition (if applicable). In the case of reconstruction projects, Final Certification of Substantial Completion, form FP-FCSC, should not be submitted until the entire project is substantially complete (i.e., there should be no qualifications on the form). In the case of a new building or an addition, where parts of a project may be occupied initially, use Partial Certification of Substantial Completion, form FP-PCSC and designate which portions of the project are not substantially complete. Subsequently occupied portions shall be certified when substantially complete. Final Certification of Substantial Completion, form FP-FCSC must be submitted when the entire project is substantially complete.

**Fire Safety Inspection and Report** - A fire safety inspection and report thereof is required for new buildings and additions. Immediately subsequent to the determination by the A/E that the work is substantially complete for the use of which it is intended, the school district shall cause a fire/safety inspection to be made of the whole occupied portion of the building. This inspection shall use the Fire Safety Report form. The Fire Safety Report form is available on the Office of Facilities Planning web site. If you have questions about completing this form please call the Fire/Safety Unit at (518) 474-3906. Carefully retain the form until needed at the time of substantial completion. See "Occupancy", below.

**Occupancy** - No building or portion thereof shall be occupied unless a valid Certificate of Occupancy (CO) has been issued by the Commissioner (Commissioner's Regulation 155.4e). To obtain a CO, send either a Partial Certification of Substantial Completion (form FP-PCSC) if a portion of the new space is being occupied, or a Final Certification of Substantial Completion (form FP-FCSC) if the entire new space is being occupied, together with the Fire/Safety Report form, to the Office of Facilities Planning. Upon submission of a satisfactory Fire/Safety Report, a Certificate of Occupancy will be issued which will "bridge" to the date of the regular annual fire/safety inspection process. In the case of occupancy of an addition, if the "Building Project" Fire Safety Report and the annual Fire Safety Report are due at essentially the same time, contact your project manager.

**Final Building Project Report** - A Final Building Project Report is required for every project for which a building permit is issued.

A copy of the Final Building Project Report form is available on the Office of Facilities Planning web site at [www.p12.nysed.gov/facplan/](http://www.p12.nysed.gov/facplan/) under Finance/QZAB/QSCB, Final Cost Report Workbook. All sources of funds and expenditures, regardless of cost, shall be reported, however, the report must not be filed until all bills are paid and the capital account has been closed.

Record the Project Control Number on the top of the form and return it directly to the State Aid Office soon after the construction work is complete and paid for.

If this project involves both additions and alterations, expenses must be submitted under each of these categories. Building aid eligibility, as determined pursuant to Section 3602 of the Education Law, is calculated separately for additions and for alterations. Careful attention to submitting the report with proper breakdown will eliminate much delay and confusion in processing building aid applications and will assure that the district receives proper allocation of building aid.

Sincerely,



MaryEllen Elia  
Commissioner of Education



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK**

Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

**BOND CERTIFICATE**

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District  
County of District: Onondaga  
Name of Building: Grant Junior High School

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 1 | 1 | 2           | 0 | 1 | 2 | 1             | 7 | 0 | 3 | 6             | 2 | 0 | 9 | 2 | 2 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

PLEASE USE THIS NUMBER in all correspondence to the State Education Department concerning this project.

MaryEllen Elia  
Commissioner of Education



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK**

Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234

Tel. (518) 474-3906

Fax (518) 486-5918

Website: <http://www.p12.nysed.gov/facplan/>

# **BUILDING PERMIT**

ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:

**PERMIT NO.:** 17-0168      **DATE ISSUED:** 09/21/17

**DISTRICT:** Syracuse City School District

**BUILDING:** Ed Smith Elementary

**ADDRESS:** Broad & Lancaster  
Syracuse, N.Y. 13210

(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)



Office of Facilities Planning, Room 1060 Education Building Annex  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

November 13, 2017

Mr. Jaime Alicea  
Superintendent  
Syracuse City School District  
725 Harrison Street  
Syracuse, N.Y. 13210

### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Ed Smith Elementary

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 0 | 2 | 2           | 0 | 1 | 5 | 1             | 7 | 0 | 1 | 6             | 8 | 0 | 9 | 2 | 1 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning for three (3) years. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

---

**During Construction** - Supervision by the architect or engineer (A/E) during construction is required by Subdivision 3 of Section 7209 of the Education Law and includes ensuring that construction work is in accordance with the construction contract documents. Detailed Supervision Guidelines describing the elements of this on-site supervision are available on the Office of Facilities Planning web site.



**Construction Inspections** – Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b mandates construction inspections at such times as will permit the observation of the foundation, and building elements and utilities prior to final inspection. The purpose of such inspections is to ensure work in accordance with the construction contract documents and compliance with the Building Code of New York State. Therefore, it is incumbent on the A/E to make such periodic observations as are necessary for the A/E to execute the Certification of Substantial Completion Form (see below).

To assist in developing essential records of the construction inspection activities, two different forms are attached: #1, a Capital Project Inspection Report for each individual inspection (reproduce necessary additional copies) and #2, a Capital Project Summary of Inspections. These forms (or something essentially equivalent) shall be delivered by the A/E to the school district at the time of Substantial Completion and shall be retained by the district as part of the official project record, available for review by the Commissioner on request.

**Certification of Substantial Completion** - When the construction work is nearing completion, the Architect/Engineer (A/E) (who is supervising the construction work pursuant to the provisions of Subdivision 3 of Section 7209 of the Education Law) must execute a "Partial Certification of Substantial Completion", form FP-PCSC, or a "Final Certification of Substantial Completion", form FP-FCSC, when it is appropriate to do so. A copy of each form is enclosed. Carefully retain these documents for future use.

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**Assurances** - Various assurances are printed on the reverse side of Form FP-CSC. The A/E shall sign those assurances relating to change orders; supervision pursuant to Education Law, Section 7209 and the contract with the school district; and construction inspections pursuant to Title 19 (NYCRR) Chapter 32, Part 1203, paragraph 1203.3b.

The Superintendent of Schools shall sign those assurances relating to proper monitoring of the project by a Construction Manager (if any); and a Clerk of the Works (if any) pursuant to contracts with the school district, (the usual duties of a Construction Manager and Clerk of the Works are included in the detailed Supervision Guidelines referenced above); and (if applicable) acknowledgement of the need of a Certificate of Occupancy prior to occupancy of any new building or addition (if applicable). In the case of reconstruction projects, Final Certification of Substantial Completion, form FP-FCSC, should not be submitted until the entire project is substantially complete (i.e., there should be no qualifications on the form). In the case of a new building or an addition, where parts of a project may be occupied initially, use Partial Certification of Substantial Completion, form FP-PCSC and designate which portions of the project are not substantially complete. Subsequently occupied portions shall be certified when substantially complete. Final Certification of Substantial Completion, form FP-FCSC must be submitted when the entire project is substantially complete.

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**Occupancy** - No building or portion thereof shall be occupied unless a valid Certificate of Occupancy (CO) has been issued by the Commissioner (Commissioner's Regulation 155.4e). To obtain a CO, send either a Partial Certification of Substantial Completion (form FP-PCSC) if a portion of the new space is being occupied, or a Final Certification of Substantial Completion (form FP-FCSC) if the entire new space is being occupied, together with the Fire/Safety Report form, to the Office of Facilities Planning. Upon submission of a satisfactory Fire/Safety Report, a Certificate of Occupancy will be issued which will "bridge" to the date of the regular annual fire/safety inspection process. In the case of occupancy of an addition, if the "Building Project" Fire Safety Report and the annual Fire Safety Report are due at essentially the same time, contact your project manager.

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A copy of the Final Building Project Report form is available on the Office of Facilities Planning web site at [www.p12.nysed.gov/facplan/](http://www.p12.nysed.gov/facplan/) under Finance/QZAB/QSCB, Final Cost Report Workbook. All sources of funds and expenditures, regardless of cost, shall be reported, however, the report must not be filed until all bills are paid and the capital account has been closed.

Record the Project Control Number on the top of the form and return it directly to the State Aid Office soon after the construction work is complete and paid for.

If this project involves both additions and alterations, expenses must be submitted under each of these categories. Building aid eligibility, as determined pursuant to Section 3602 of the Education Law, is calculated separately for additions and for alterations. Careful attention to submitting the report with proper breakdown will eliminate much delay and confusion in processing building aid applications and will assure that the district receives proper allocation of building aid.

Sincerely,



MaryEllen Elia  
Commissioner of Education



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK

Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

BOND CERTIFICATE

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District

County of District: Onondaga

Name of Building: Ed Smith Elementary

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 0 | 2 | 2           | 0 | 1 | 5 | 1             | 7 | 0 | 1 | 6             | 8 | 0 | 9 | 2 | 1 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

PLEASE USE THIS NUMBER in all correspondence to the State Education Department concerning this project.

MaryEllen Elia  
Commissioner of Education



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Office of Facilities Planning, 89 Washington Avenue, Room 1060 Education Building Annex, Albany, NY 12234

Tel. (518) 474-3906

Fax (518) 486-5918

Website: <http://www.p12.nysed.gov/facplan/>

# **BUILDING PERMIT**

ISSUED PURSUANT TO APPROVAL OF PLANS AND  
SPECIFICATIONS FOR THE PROJECT BELOW:

**PERMIT NO.:** 17-0113      **DATE ISSUED:** 09/21/17

**DISTRICT:** Syracuse City School District

**BUILDING:** Bellevue Elementary School

**ADDRESS:** 530 Stolp Avenue  
Syracuse, N.Y. 13210

(POST IN CONSPICUOUS PLACE ON PREMISES OF WORKSITE)



Office of Facilities Planning, Room 1060 Education Building Annex  
Tel. (518) 474-3906  
Fax (518) 486-5918  
Website: <http://www.p12.nysed.gov/facplan/>

January 5, 2018

Mr. Jaime Alicea  
Superintendent  
Syracuse City School District  
725 Harrison Street  
Syracuse, N.Y. 13210

### CERTIFICATE OF APPROVAL OF PLANS AND SPECIFICATIONS

Building: Bellevue Elementary School

Facilities Planning Project Control Number

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | 2 | 1 | 8 | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 8 | 0 | 0 | 7 | 1 | 7 | 0 | 1 | 1 | 3 | 0 | 9 | 2 | 1 | 1 | 7 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

District BEDS Code

Facility Code

Project No.

Review Number

Approval Date

Plans and specifications for the project listed above have been duly reviewed by the Office of Facilities Planning and are hereby approved. The district may bid these plans and specifications as approved or as modified by any addenda subsequently approved by Facilities Planning for this project. Approved Plans and Specifications are retained by the Office of Facilities Planning for three (3) years. The school district must obtain a duplicate set of plans and specifications, including all addenda, from their architect or engineer of record for permanent retention with this approval letter.

Commissioner's approval signifies only that plans and specifications meet the requirements of Sections 408 and 409 of the Education Law, and Commissioner's Regulations and Education Department policies and procedures relating to educational requirements, heating, ventilation and health, and fire and accident protection, and that the site meets the minimum requirements of Section 408. It does not signify approval of architectural or structural design, nor choice of building materials, nor of any contracts which may be awarded or executed, nor of any features which go beyond the aforesaid minimum requirements, nor does this certificate give assurance that this project qualifies for State aid for education, in accordance with the provisions of Section 3602 of the Education Law.

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Sincerely,



MaryEllen Elia  
Commissioner of Education



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Tel. (518) 474-3906  
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**BOND CERTIFICATE**

I do hereby certify that I have caused the records of this Department to be examined, and it appears therefrom that the plans and specifications for the construction project identified below have been approved by the Commissioner of Education as complying with the provisions of the Education Law.

Name of District: Syracuse City School District  
County of District: Onondaga  
Name of Building: Bellevue Elementary School

Facilities Planning Project Control Number

|                    |   |   |   |   |   |   |               |   |   |   |             |   |   |   |               |   |   |   |               |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---------------|---|---|---|-------------|---|---|---|---------------|---|---|---|---------------|---|---|---|---|---|---|---|
| 4                  | 2 | 1 | 8 | 0 | 0 | 0 | 1             | 0 | 0 | 2 | 8           | 0 | 0 | 7 | 1             | 7 | 0 | 1 | 1             | 3 | 0 | 9 | 2 | 1 | 1 | 7 |
| District BEDS Code |   |   |   |   |   |   | Facility Code |   |   |   | Project No. |   |   |   | Review Number |   |   |   | Approval Date |   |   |   |   |   |   |   |

PLEASE USE THIS NUMBER in all correspondence to the State Education Department concerning this project.

MaryEllen Elia  
Commissioner of Education



**CERTIFICATE OF DETERMINATION OF THE CHIEF OPERATING OFFICER OF  
THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY**

I, Elizabeth Mallow, Chief Operating Officer of the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY DETERMINE, pursuant to the powers and duties delegated to me and in accordance with the applicable provisions set forth in Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, as follows:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act, as of February 23, 2018, I have received all the information required by the MBBA under the Syracuse Schools Act from the City of Syracuse (the "City"), the City School District of the City of Syracuse (the "School District"), the Syracuse Industrial Development Agency (the "SIDA") and the Joint Schools Construction Board of the City of Syracuse (the "JSCB"); and have accordingly determined that the interest rate on March 1, 2018 that would have been applicable to a bond issue sold by the MBBA of similar purpose, structure, method of sale, security and amount to the SIDA's School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A would be 3.13% on a true interest cost basis, and am so certifying to the Commissioner of the New York State Department of Education.

2. In making these financial determinations, I am relying upon the Certificate made by an authorized officer of Public Resources Advisory Group, financial advisor to the MBBA, appended hereto as **Exhibit A**.

3. A copy of the information received from the School District, the City, the SIDA and the JSCB in compliance with the Syracuse Schools Act is collectively annexed hereto as **Exhibit B**.

[Signature Page to Certificate of Determination - Chief Operating Officer]

IN WITNESS WHEREOF, I have hereunto set my signature this 2nd day of March,  
2018.

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a cursive 'M' and a long horizontal flourish extending to the right.

Elizabeth Mallow  
Chief Operating Officer  
State of New York Municipal Bond Bank Agency

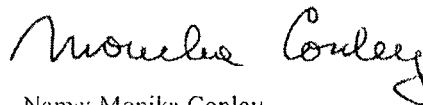
**EXHIBIT "A"**

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc. (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

**Exhibit A**

**\$67,265,000**  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(1)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

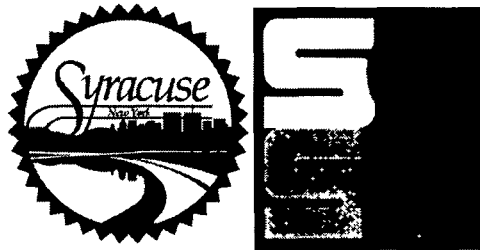
(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%

**EXHIBIT "B"**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**



**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**PRE-PRICING INFORMATION**

**PRICING: MARCH 1, 2018**

**CLOSING: MARCH 15, 2018**

**RAYMOND JAMES**

## TABLE OF CONTENTS

- 1. Transaction Overview**
  - a. General Transaction Details
- 2. Marketing Overview**
  - a. Economic Calendar
  - b. Market Information
  - c. Comparable Transactions
  - d. Bond Holder Comparison
  - e. Orders of the City of Syracuse IDA, Series 2017 Issue
  - f. Pricing Workbook
  - g. Syndicate Price Views
  - h. Pre-Marketing Wire
- 3. Transaction Documents**
  - a. POS Cover
  - b. Rating Reports
  - c. Working Group Distribution List



## Transaction Overview

### General Transaction Details

|   |  |
|---|--|
| <b>Par Amount:</b>                        | \$66,855,000*  |
| <b>Issuer:</b>                            | City of Syracuse Industrial Development Agency   |
| <b>Borrower:</b>                          | Syracuse Joint School Construction Board ("JSCB")  |
| <b>Purpose of 2018A Bonds</b>             | The proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the cost of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City of Syracuse \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. |
| <b>Tax Status:</b>                        | Federally and State Tax-Exempt   |
| <b>Pricing:</b>                           | March 1, 2018  |
| <b>Written Award:</b>                     | March 2, 2018  |
| <b>Closing:</b>                           | March 15, 2018   |
| <b>Rating:</b>                            | Aa2/AA/AA (Moody's, Standard & Poor's, and Fitch)  |
| <b>Bond Counsel:</b>                      | Barclay Damon LLP  |
| <b>JSCB Counsel:</b>                      | Trespasz & Marquart, LLP   |
| <b>SCSD &amp; City Financial Advisor:</b> | Capital Markets Advisors, LLP  |
| <b>Trustee:</b>                           | M&T Bank   |
| <b>Underwriters Counsel:</b>              | Harris Beach, PLLC   |
| <b>Senior Manager:</b>                    | Raymond James & Associates, Inc.   |
| <b>Co-Managers:</b>                       | FTN Financial Capital Markets<br>Loop Capital Markets<br>Ramirez & Co., Inc.   |

\*Subject to change

# Marketing Overview

## Economic Releases & Forward Calendar

| Week of February 26, 2018  |  |   |  |  |
|--|--|---|--|--|
| Monday   | Tuesday  | Wednesday   | Thursday   | Friday   |
| 26   | 27   | 28  | 1  | 2  |
| <ul style="list-style-type: none"> <li>10:00am – New Home sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Durable Good Orders (Jan)</li> <li>8:30am – Adv. Econ Indicators (Jan)</li> <li>10:00am – CB Cons. Confidence (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Real GDP (4Q17, 2<sup>nd</sup> est.)</li> <li>10:00am - Pending Home Sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Jobless Claims</li> <li>8:30am – Personal Income</li> <li>9:45am – Markit US Manf. (Feb, final)</li> <li>10:00am – ISM Manf. Survey (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Employment Report (Mar)</li> <li>10:00am – UM Cons. Sent. (Feb)</li> </ul> |

## Forward Calendar

| Sale Date  | Issuer  | State | Par (\$MM) | Underwriter         |
|------------|---|-------|------------|---------------------|
| 02/27/2018 | Kenowa Hills Public Schools                       | MI    | 36.090     | Raymond James       |
| 02/27/2018 | Tennessee Housing Development Agency              | TN    | 99.900     | Raymond James       |
| 02/28/2018 | Maricopa County                                   | AZ    | 106.665    | J.P. Morgan         |
| 03/01/2018 | NYS Thruway Authority                             | NY    | 600.000    | RBC Capital Markets |
| 03/01/2018 | City of Houston – Airport System                  | TX    | 417.000    | Bank of America     |
| 03/01/2018 | State of Connecticut Health and Edu Fac Authority | CT    | 66.285     | Goldman Sachs       |
| 03/01/2018 | Salinas City Elementary School                    | CA    | 20.000     | Piper Jaffray       |

# Market Information

## Key Interest Rates and Prices

|  | This Week<br>2/23/2018 | Last Week<br>2/16/2018 | Last Month<br>1/26/2018 | Last Year<br>2/24/2017 |
|--|------------------------|------------------------|-------------------------|------------------------|
| Federal Funds Rate                             | 1.50                   | 1.50                   | 1.50                    | 0.75                   |
| Prime Rate                                     | 4.50                   | 4.50                   | 4.50                    | 3.75                   |
| Treasury - 2 yr                                | 2.23                   | 2.19                   | 2.12                    | 1.14                   |
| Treasury - 10 yr                               | 2.84                   | 2.87                   | 2.66                    | 2.31                   |
| LIBOR (1 month)                                | 1.57                   | 1.57                   | 1.57                    | 0.78                   |
| LIBOR (3 month)                                | 1.74                   | 1.74                   | 1.74                    | 1.05                   |
| SIFMA  | 1.09                   | 1.00                   | 1.16                    | 0.64                   |
| SIFMA/1 M LIBOR %                              | 69.6                   | 63.8                   | 74.0                    | 82.0                   |
| B.B. 20 Bond Index <sup>1</sup>                | 3.86                   | 3.84                   | 3.59                    | 3.92                   |
| B.B. Rev. Index <sup>2</sup>                   | 4.35                   | 4.33                   | 4.08                    | 4.08                   |
| 30-Day Visible Supply <sup>3</sup>             | 8.3 B                  | 7.0 B                  | 7.1 B                   | 9.9 B                  |
| 10-Year AAA MMD <sup>4</sup>                   | 2.45                   | 2.46                   | 2.23                    | 2.28                   |
| 10-Year AAA MMD Ratio to Treasury <sup>4</sup> | 86.3                   | 85.6                   | 83.8                    | 98.6                   |
| 30-Year Treasury                               | 3.13                   | 3.13                   | 2.91                    | 2.95                   |
| 30-Year AAA MMD <sup>4</sup>                   | 3.03                   | 3.02                   | 2.81                    | 3.04                   |

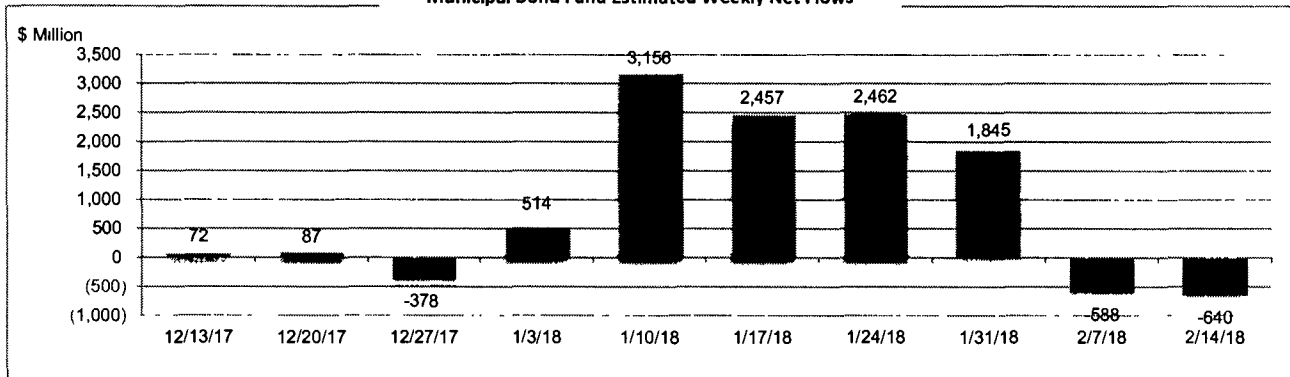
<sup>1</sup> Represents an estimation of the yield on a portfolio of 20 general obligation bonds that matures in 20 years with a composite AA rating.

<sup>2</sup> Represents an estimation of the yield that would be offered on 30-yr revenue bonds. The index is comprised of 25 issuers that cover a broad range of type of issues and vary in ratings

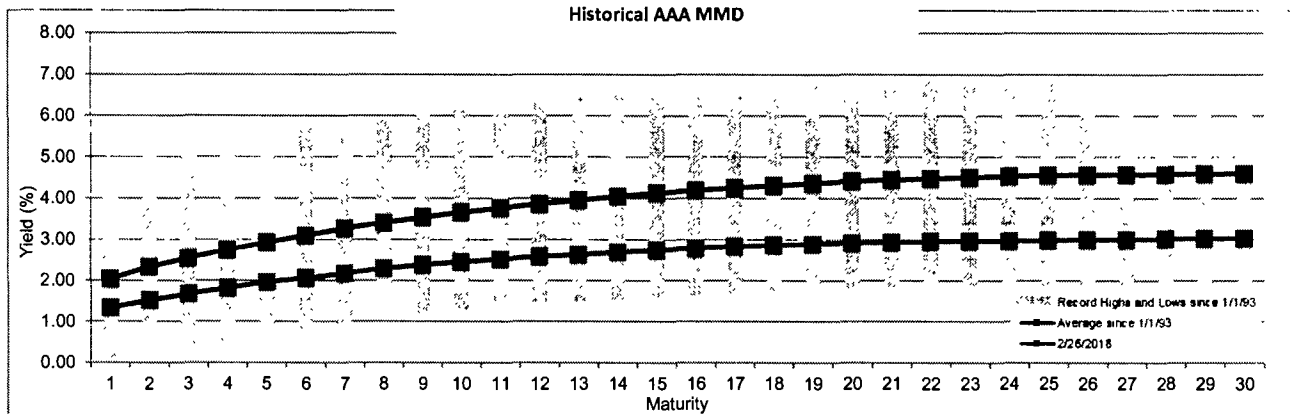
<sup>3</sup> The total dollar volume of municipal securities expected to be offered over the next 30 days.

<sup>4</sup> Represents the benchmark yield for high grade municipal issues, based on a natural "AAA" rated general obligation bond issue. "AAA" MMD is the benchmark for pricing of all tax-exempt municipal issues.

### Municipal Bond Fund Estimated Weekly Net Flows



### Historical AAA MMD



### Weekly Muni Market Commentary by Jock Wright – Raymond James (2/26/2018)

Volatility continued last week in the fixed income markets, after hitting a 4 year yield high of a 2.95% on Wednesday on the UST Ten year, the market rallied at weeks end as buyers came in to support the market and the ten year ended the week at a 2.86%. Equities continued to recover and some sense of stability returned to other markets. FOMC minutes released last week still point to a hawkish FED that is closely monitoring inflation, but expected to tighten 3 times this year. This week will feature New Fed Chairman Jerome Powell's monetary policy testimony. Market participants will be closely analyzing his comments for signs of future rate increases. It is expected that he will present the markets with a calming influence regarding the FED's stance of future monetary policy. Other important economic releases this week will be Durable Goods Orders, Consumer Confidence and PCE release later in the week.

#### Economic Releases and Events This Week:

- Monday: Chicago FED, New Home Sales
- Tuesday: Powell Monetary Policy(House), Durable Goods Orders, Advance Economic Indicators, Consumer Confidence
- Wednesday: Real GDP(2nd Estimate), Chicago Business Barometer, Pending Home Sales
- Thursday: Jobless Claims, Personal Income and Spending, PCE Price Index, Powell Monetary Policy Testimony(Senate), ISM Mfg. Index, Motor Vehicle Sales
- Friday: UM Consumer Sentiment

Mutual funds and retail investors saw better flows last week and deals that were in the market saw mixed results, but the overall tone could be described as slightly "firmer". Dealer inventories and bid sell lists continue to hamper our market's ability to rally. This week's lighter calendar should be met with decent demand in the primary. For the week MMD was lower in yield by (1) bps in five years, by (1) bps in ten years and higher by +1 bps in thirty years.

This week's primary muni supply breakdown of the \$5bln calendar is: \$3.4bln being negotiated and \$1.6bln via competitive offerings.

U.S. municipal bond funds reported \$347.4 million of net inflows in the week ended February 21st, compared with \$443.4mln of outflows in the previous week, according to data released by Lipper on Thursday. The four-week moving average remained positive at \$203.7mln. High-yield muni bond funds reported outflows of \$5.1 million, compared with inflows of \$20.1 million in the previous week. Source: Reuters/Lipper

### Fixed Income Market Commentary by Kevin Giddis – Raymond James (2/27/2018)

The Treasury market is trading lower this morning as Fed Chair Jay Powell's Congressional Testimony was released. He goes before the House Financial Services Committee in about an hour or so, but there were several tasty tidbits in this release that have caused the market to react. Not in any order, but he was quoted as saying that the Fed sees "further gradual rate hikes," and that "some of the headwinds facing the U.S. economy are now the tailwinds." He also stated that "the FOMC sees risks as roughly balanced," and "the U.S. economic outlook is strong." Yada, yada, yada! The next market event will occur when he begins to answer the questions from Congress. The takeaway from this is that Jay Powell doesn't seem too worried about the Fed "missing it" when it comes to its monetary policy or its tightening strategy. He also doesn't appear to be the type of Fed Chair to elaborate too much either. He reminds me of the Joe Friday, "just the facts ma'am," sort of guy. This uncertainty is likely to be exposed over the next two days, and the market will adjust, just like it has for all of the other Fed Chairs in the past. It does appear to be a lock that the FOMC will raise rates next month. It also seems like they believe that they will raise rates three times in 2018. Bonds have settled down and the yield curve (2's to 10's) is roughly where it started at 64 basis points. The equity market seems to be ok with it as well. As much a Goldilocks 4 page release as one could possibly expect. The key will be when the other shoe drops, will it be consistent with what we have seen, or will Fed Chair Powell go off script and say something that the markets weren't expecting. On the economic front, Durable Goods Orders for January fell 3.7% after rising 2.6% in December. Orders less the volatile transportation component rose 0.7%. So with little left to say, I would think that Jay Powell will do his best to keep the markets calm, help the dollar, and offer a glimpse of how the next couple of years will look in his eyes as the Chairman of the Federal Reserve. While there are plenty of signs that the economy is still growing, we may have to wait a couple more days to gauge the second round of inflation data. Thursday's release of the PCE Core will be closely watched and along with Powell's testimony, could be a market mover.

### Comparable Tax-Exempt Transactions

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | The City of New York                                 |
| <b>Description:</b>  | General Obligation Bonds, Fiscal 2018, Subseries E-1 |
| <b>Par:</b>          | \$700,000,000  |
| <b>Pricing Date:</b> | 2/22/2018  |
| <b>Ratings:</b>      | Aa2/AA/AA  |
| <b>Call Date:</b>    | 3/1/2028   |
| <b>Underwriter:</b>  | Jefferies  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Mar 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | 1.53%          | +0.05         | 1.58%        | 5.000%        |
| 2021            | 1.68%          | +0.07         | 1.75%        | 5.000%        |
| 2022            | 1.82%          | +0.08         | 1.90%        | 5.000%        |
| 2023            | -              | -             | -            | -             |
| 2024            | -              | -             | -            | -             |
| 2025            | -              | -             | -            | -             |
| 2026            | 2.32%          | +0.22         | 2.54%        | 5.000%        |
| 2027            | 2.41%          | +0.22         | 2.63%        | 5.000%        |
| 2028            | -              | -             | -            | -             |
| 2029            | -              | -             | -            | -             |
| 2030            | -              | -             | -            | -             |
| 2031            | 2.67%          | +0.30         | 2.97%        | 5.000%        |
| 2032            | 2.72%          | +0.30         | 3.02%        | 5.000%        |
| 2033            | 2.77%          | +0.58         | 3.35%        | 3.250%        |
| 2034            | 2.81%          | +0.22         | 3.03%        | 5.250%        |
| 2035            | 2.85%          | +0.23         | 3.08%        | 5.250%        |
| 2036            | 2.88%          | +0.64         | 3.52%        | 4.000%        |
| 2037            | 2.91%          | +0.35         | 3.26%        | 5.000%        |
| 2038            | 2.93%          | +0.35         | 3.28%        | 5.000%        |
| 2039            | 2.95%          | +0.35         | 3.30%        | 5.000%        |
| 2040            | 2.97%          | +0.35         | 3.32%        | 5.000%        |
| 2041            | 2.98%          | +0.35         | 3.33%        | 5.000%        |
| 2042            | 2.99%          | +0.68         | 3.67%        | 4.000%        |
| 2043            | -              | -             | -            | -             |
| 2044            | 3.01%          | +0.35         | 3.36%        | 5.000%        |
| 2045            | 3.02%          | +0.68         | 3.70%        | 3.625%        |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | Monroe County Industrial Development Corporation       |
| <b>Description:</b>  | Revenue Bonds, Series 2017CD (University of Rochester) |
| <b>Par:</b>          | \$134,280,000  |
| <b>Pricing Date:</b> | 12/4/2017  |
| <b>Ratings:</b>      | Aa3/AA-/AA-  |
| <b>Call Date:</b>    | 7/1/2027   |
| <b>Underwriter:</b>  | J.P. Morgan  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Jul 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | -              | -             | -            | -             |
| 2021            | -              | -             | -            | -             |
| 2022            | -              | -             | -            | -             |
| 2023            | 1.76%          | +0.15         | 1.91%        | 5.000%        |
| 2024            | 1.82%          | +0.20         | 2.02%        | 5.000%        |
| 2025            | 1.88%          | +0.16         | 2.04%        | 5.000%        |
| 2026            | 1.95%          | +0.18         | 2.13%        | 5.000%        |
| 2027            | 2.03%          | +0.18         | 2.21%        | 5.000%        |
| 2028            | 2.10%          | +0.20         | 2.30%        | 5.000%        |
| 2029            | 2.17%          | +0.22         | 2.39%        | 5.000%        |
| 2030            | 2.23%          | +0.24         | 2.47%        | 5.000%        |
| 2031            | 2.29%          | +0.23         | 2.52%        | 5.000%        |
| 2032            | 2.34%          | +0.55         | 2.89%        | 4.000%        |
| 2033            | 2.39%          | +0.55         | 2.94%        | 4.000%        |
| 2034            | 2.44%          | +0.55         | 2.99%        | 4.000%        |
| 2035            | 2.49%          | +0.52         | 3.01%        | 4.000%        |
| 2036            | 2.52%          | +0.52         | 3.04%        | 4.000%        |
| 2037            | 2.55%          | +0.52         | 3.07%        | 4.000%        |
| 2038            | -              | -             | -            | -             |
| 2039            | -              | -             | -            | -             |
| 2040            | -              | -             | -            | -             |
| 2041            | -              | -             | -            | -             |
| 2042            | -              | -             | -            | -             |
| 2043            | 2.62%          | +0.59         | 3.21%        | 4.000%        |
| 2044            | -              | -             | -            | -             |
| 2045            | -              | -             | -            | -             |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

**Comparable Tax-Exempt Transactions**

**Issuer:** County of Monroe Industrial Development Agency  
**Description:** School Facility Revenue Bonds, Series 2017  
**Par:** \$123,670,000  
**Pricing Date:** 7/18/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Citigroup  
**Insured:** No

| <b>Maturity (May 1)</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-------------------------|----------------|---------------|--------------|---------------|
| 2019                    | 0.98%          | -0.02         | 0.96%        | 5.000%        |
| 2020                    | 1.07%          | +0.03         | 1.10%        | 5.000%        |
| 2021                    | 1.16%          | +0.06         | 1.22%        | 5.000%        |
| 2022                    | 1.25%          | +0.06         | 1.31%        | 5.000%        |
| 2023                    | 1.38%          | +0.07         | 1.45%        | 5.000%        |
| 2024                    | 1.49%          | +0.12         | 1.61%        | 5.000%        |
| 2025                    | 1.63%          | +0.14         | 1.77%        | 5.000%        |
| 2026                    | 1.77%          | +0.20         | 1.97%        | 5.000%        |
| 2027                    | 1.92%          | +0.19         | 2.11%        | 5.000%        |
| 2028                    | 2.03%          | +0.24         | 2.27%        | 5.000%        |
| 2029                    | 2.13%          | +0.26         | 2.39%        | 5.000%        |
| 2030                    | 2.24%          | +0.24         | 2.48%        | 5.000%        |
| 2031                    | 2.32%          | +0.24         | 2.56%        | 5.000%        |
| 2032                    | 2.39%          | +0.24         | 2.63%        | 5.000%        |
| 2033                    | 2.45%          | +0.24         | 2.69%        | 5.000%        |
| 2034                    | -              | -             | -            | -             |
| 2035                    | -              | -             | -            | -             |
| 2036                    | -              | -             | -            | -             |
| 2037                    | -              | -             | -            | -             |
| 2038                    | -              | -             | -            | -             |
| 2039                    | -              | -             | -            | -             |
| 2040                    | -              | -             | -            | -             |
| 2041                    | -              | -             | -            | -             |
| 2042                    | -              | -             | -            | -             |
| 2043                    | -              | -             | -            | -             |
| 2044                    | -              | -             | -            | -             |
| 2045                    | -              | -             | -            | -             |
| 2046                    | -              | -             | -            | -             |
| 2047                    | -              | -             | -            | -             |
| 2048                    | -              | -             | -            | -             |

**Issuer:** City of Syracuse Industrial Development Agency  
**Description:** School Facility Revenue Refunding Bonds, Series 2017  
**Par:** \$29,260,000  
**Pricing Date:** 4/5/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Raymond James  
**Insured:** No

| <b>Maturity (May 1)</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-------------------------|----------------|---------------|--------------|---------------|
| 2019                    | 1.03%          | +0.03         | 1.06%        | 4.000%        |
| 2020                    | 1.20%          | +0.09         | 1.29%        | 4.000%        |
| 2021                    | 1.35%          | +0.10         | 1.45%        | 4.000%        |
| 2022                    | 1.55%          | +0.07         | 1.62%        | 5.000%        |
| 2023                    | 1.71%          | +0.10         | 1.81%        | 5.000%        |
| 2024                    | 1.86%          | +0.10         | 1.96%        | 5.000%        |
| 2025                    | 2.00%          | +0.16         | 2.16%        | 5.000%        |
| 2026                    | 2.12%          | +0.15         | 2.27%        | 5.000%        |
| 2027                    | 2.21%          | +0.17         | 2.38%        | 5.000%        |
| 2028                    | 2.30%          | +0.30         | 2.60%        | 4.000%        |
| 2029                    | 2.40%          | +0.35         | 2.75%        | 4.000%        |
| 2030                    | 2.50%          | +0.50         | 3.00%        | 3.000%        |
| 2031                    | -              | -             | -            | -             |
| 2032                    | -              | -             | -            | -             |
| 2033                    | -              | -             | -            | -             |
| 2034                    | -              | -             | -            | -             |
| 2035                    | -              | -             | -            | -             |
| 2036                    | -              | -             | -            | -             |
| 2037                    | -              | -             | -            | -             |
| 2038                    | -              | -             | -            | -             |
| 2039                    | -              | -             | -            | -             |
| 2040                    | -              | -             | -            | -             |
| 2041                    | -              | -             | -            | -             |
| 2042                    | -              | -             | -            | -             |
| 2043                    | -              | -             | -            | -             |
| 2044                    | -              | -             | -            | -             |
| 2045                    | -              | -             | -            | -             |
| 2046                    | -              | -             | -            | -             |
| 2047                    | -              | -             | -            | -             |
| 2048                    | -              | -             | -            | -             |

## Bond Holder Comparison

### Holders of JSCB Bonds

| Holders of Erie IDA (Buffalo JSCB)          |            | Holders of Monroe IDA (Rochester JSCB)         |            | Holders of Syracuse IDA (Syracuse JSCB)      |            |
|---|------------|--|------------|--|------------|
| Firm Name                                   | Par Amount | Firm Name                                      | Par Amount | Firm Name                                    | Par Amount |
| Franklin Templeton Investments              | 67,040     | The Vanguard Group, Inc                        | 29,700     | American Money Management Corporation        | 3,500      |
| The Vanguard Group, Inc                     | 44,480     | Franklin Templeton Investments                 | 15,820     | Selective Insurance Group, Inc               | 3,040      |
| Lord, Abbett & Co LLC                       | 25,735     | American Money Management Corporation          | 14,000     | Savings Bank Life Insurance Company          | 3,000      |
| Capital Research & Management Co            | 22,340     | TIAA Global Asset Management                   | 12,000     | Columbian Mutual Life Insurance Company      | 2,990      |
| Loews Corporation (Investments)             | 20,180     | OppenheimerFunds Inc (Rochester)               | 11,520     | Foresters Investment Management Company      | 2,600      |
| Putnam Investment Management LLC            | 16,500     | Nuveen Asset Management LLC                    | 7,875      | Thornburg Investment Management Inc          | 2,150      |
| Nuveen Asset Management LLC                 | 16,200     | Fidelity Management & Research Company         | 7,705      | Loomis, Sayles & Company LP (San Francisco)  | 1,738      |
| Thornburg Investment Management Inc         | 14,000     | J.P. Morgan Investment Management              | 5,753      | Standish Mellon Asset Management Company LLC | 1,738      |
| OppenheimerFunds Inc (Rochester)            | 10,625     | BlackRock Investment Management LLC            | 5,280      | Putnam Investment Management LLC             | 1,000      |
| Goldman Sachs Asset Management (US)         | 9,000      | Farm Bureau Life Insurance Company             | 5,115      | Federated Investment Management Company      | 900        |
| BlackRock Investment Management LLC         | 8,990      | New York Life Investment Management LLC        | 4,600      | Mutual Beneficial Association Inc            | 250        |
| Federated Investment Management Company     | 8,100      | Goldman Sachs Asset Management (US)            | 4,000      | Wilmington Trust Investment Advisors Inc     | 100        |
| AllianceBernstein LP                        | 5,800      | Western Asset Management Co                    | 4,000      | The Order of the Sons of Herman              | 40         |
| Kentucky Farm Bureau                        | 5,000      | Columbian Mutual Life Insurance Company        | 3,750      |  |            |
| Bessemer Trust Company, N.A.                | 5,000      | PIMCO (US)                                     | 3,700      |  |            |
| Columbia Management Investment Advisers LLC | 4,940      | MFS Investment Management                      | 2,000      |  |            |
| T Rowe Price Associates Inc                 | 4,500      | Mackay Shields LLC                             | 1,950      |  |            |
| Standish Mellon Asset Management Company    | 3,478      | Guggenheim Partners Asset Management           | 1,950      |  |            |
| Deutsche Asset Management Americas          | 3,000      | New York Life Investment Management LLC        | 1,950      |  |            |
| Donegal Mutual Insurance Company            | 3,000      | Standish Mellon Asset Management Company       | 1,690      |  |            |
| American Money Management Corporation       | 3,000      | United Farm Family Life Insurance Company      | 1,000      |  |            |
| Neuberger Berman, LLC                       | 2,330      | Capital Research & Management Co               | 1,000      |  |            |
| USAA Investment Management Company          | 2,250      | New York Central Mutual Fire Insurance Company | 1,000      |  |            |
| Wilmington Trust Investment Management      | 2,000      | JP Morgan Asset Management                     | 743        |  |            |
| Loomis, Sayles & Company LP (San Francisco) | 1,978      | Van Eck Associates Corporation                 | 255        |  |            |

Source: Emaxx (Represents investors who reported holdings to Emaxx. Not all holders may be listed.)

Blue indicates holders who do not hold Syracuse IDA

**Orders of the City of Syracuse IDA - School Facility Revenue Refunding Bonds, Series 2017 Issue**

| <b>Account</b>                      | <b>Retail</b>   | <b>Institutional</b> | <b>Total</b>      |
|-------------------------------------|-----------------|----------------------|-------------------|
| Bessemer Trust Company N.A.         | -               | \$ 8,860             | \$ 8,860          |
| Blackrock Financial Management Sma  | -               | 6,815                | 6,815             |
| Boston Company                      | -               | 9,620                | 9,620             |
| Boyd Watterson Asset Management     | -               | 950                  | 950               |
| Carret Asset Management Llc         | -               | 50                   | 50                |
| Chilton Financial                   | -               | 7,510                | 7,510             |
| Cmap                                | -               | 11,695               | 11,695            |
| Columbia Management Advisors        | -               | 3,105                | 3,105             |
| Evercore Wealth Managment Llc       | -               | 6,135                | 6,135             |
| Fiduciary Trust Company             | -               | 1,175                | 1,175             |
| First Republic Bank                 | -               | 6,555                | 6,555             |
| Goldman Sachs Asset Management      | -               | 13,955               | 13,955            |
| Individuals                         | \$ 2,100        | -                    | 2,100             |
| Jp Morgan Asset Management          | -               | 13,815               | 13,815            |
| Lord Abbett                         | -               | 15,740               | 15,740            |
| Neuberger Berman (Broker To Broker) | -               | 7,630                | 7,630             |
| Neuberger Berman Mgmt Inc           | -               | 22,015               | 22,015            |
| Northern Trust                      | -               | 850                  | 850               |
| Nuveen Asset Management             | -               | 6,285                | 6,285             |
| Oppenheimer Asset Management Inc.   | -               | 1,000                | 1,000             |
| Samson Capital Advisors             | -               | 19,655               | 19,655            |
| Spring Lake Asset Management        | -               | 2,880                | 2,880             |
| Stock                               | -               | -                    | 1,040             |
| Tiaa-Cref Investment Management     | -               | 5,000                | 5,000             |
| Us Trust Corporation                | -               | 2,900                | 2,900             |
| Wall Street Access                  | -               | 1,000                | 1,000             |
| Wells Capital                       | -               | 1,000                | 1,000             |
| Western Asset Management Funds      | -               | 3,365                | 3,365             |
| William Jones & Associates          | -               | 2,000                | 2,000             |
| Wilmington Trust Corp               | -               | 9,625                | 9,625             |
| <b>Total</b>                        | <b>\$ 2,100</b> | <b>\$ 191,185</b>    | <b>\$ 194,325</b> |



Pricing Worksheet

Pre-Pricing Scale (2/28/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |        |           |          |           |
|---|--------|-----------|----------|-----------|
| May 1   | May    | Spread to | Yield(%) | Coupon(%) |
|   | MMD(%) | MMD(%)    |          |           |
| 2020  | 1.54   | .05       | 1.59     | 5.000     |
| 2021  | 1.69   | .06       | 1.75     | 5.000     |
| 2022  | 1.84   | .08       | 1.92     | 5.000     |
| 2023  | 1.99   | .09       | 2.08     | 5.000     |
| 2024  | 2.10   | .10       | 2.20     | 5.000     |
| 2025  | 2.22   | .12       | 2.34     | 5.000     |
| 2026  | 2.34   | .13       | 2.47     | 5.000     |
| 2027  | 2.43   | .15       | 2.58     | 5.000     |
| 2028  | 2.50   | .16       | 2.66     | 5.000     |
| 2029  | 2.57   | .17       | 2.74     | 5.000     |
| 2030  | 2.63   | .18       | 2.81     | 5.000     |
| 2031  | 2.68   | .18       | 2.86     | 5.000     |
| 2032  | 2.72   | .18       | 2.90     | 5.000     |
| 2033  | 2.77   | .18       | 2.95     | 5.000     |
| 2034  | 2.82   | .53       | 3.35     | 3.250     |

Pricing Scale (3/1/18) - AM

| <b>(Syracuse City School District Project) Series 2018A</b> |        |           |          |           |
|---|--------|-----------|----------|-----------|
| May 1   | May    | Spread to | Yield(%) | Coupon(%) |
|   | MMD(%) | MMD(%)    |          |           |
| 2020  |        |           |          |           |
| 2021  |        |           |          |           |
| 2022  |        |           |          |           |
| 2023  |        |           |          |           |
| 2024  |        |           |          |           |
| 2025  |        |           |          |           |
| 2026  |        |           |          |           |
| 2027  |        |           |          |           |
| 2028  |        |           |          |           |
| 2029  |        |           |          |           |
| 2030  |        |           |          |           |
| 2031  |        |           |          |           |
| 2032  |        |           |          |           |
| 2033  |        |           |          |           |
| 2034  |        |           |          |           |

Re-Pricing Scale (3/1/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |        |           |          |           |
|---|--------|-----------|----------|-----------|
| May 1   | May    | Spread to | Yield(%) | Coupon(%) |
|   | MMD(%) | MMD(%)    |          |           |
| 2020  |        |           |          |           |
| 2021  |        |           |          |           |
| 2022  |        |           |          |           |
| 2023  |        |           |          |           |
| 2024  |        |           |          |           |
| 2025  |        |           |          |           |
| 2026  |        |           |          |           |
| 2027  |        |           |          |           |
| 2028  |        |           |          |           |
| 2029  |        |           |          |           |
| 2030  |        |           |          |           |
| 2031  |        |           |          |           |
| 2032  |        |           |          |           |
| 2033  |        |           |          |           |
| 2034  |        |           |          |           |

## Syndicate Price Views

| May 1 | Spreads*      |     |      |         |    | Average |
|-------|---------------|-----|------|---------|----|---------|
|       | Raymond James | FTN | Loop | Ramirez |    |         |
| 2020  | 5             | 7   | 5    | 7       | 6  |         |
| 2021  | 7             | 9   | 5    | 11      | 8  |         |
| 2022  | 9             | 11  | 7    | 13      | 10 |         |
| 2023  | 10            | 13  | 8    | 15      | 12 |         |
| 2024  | 12            | 15  | 10   | 17      | 14 |         |
| 2025  | 14            | 17  | 12   | 19      | 16 |         |
| 2026  | 16            | 19  | 12   | 21      | 17 |         |
| 2027  | 18            | 20  | 15   | 22      | 19 |         |
| 2028  | 20            | 21  | 15   | 23      | 20 |         |
| 2029  | 20            | 23  | 15   | 24      | 21 |         |
| 2030  | 20            | 25  | 15   | 25      | 21 |         |
| 2031  | 20            | 25  | 15   | 25      | 21 |         |
| 2032  | 20            | 25  | 15   | 25      | 21 |         |
| 2033  | 20            | 25  | 15   | 25      | 21 |         |
| 2034  | 20            | 25  | 15   | 25      | 21 |         |

\*Price Views are based on 5% Coupons and an 8 year call.



**RAYMOND JAMES**

**Price Views Wire (2-27-18)**

RE: \$ 66,855,000\*  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Please use the spreads below for pre-marketing purposes, pricing is scheduled for  
Thursday, March 1st.

POS Link: <https://www.munios.com/munios-notice.aspx?i=5029QF1m38x>

MOODY'S: Aa2                      S&P: AA                      FITCH: AA  
                 Stable Outlook                      Stable Outlook                      Stable Outlook  
DATED:03/15/2018      FIRST COUPON:11/01/2018  
DUE: 05/01

| MATURITY   | I-Spread | AMOUNT* | COUPON      | PRICE     | ADD'L<br>TAKEDOWN<br>( Pts ) |
|------------|----------|---------|-------------|-----------|------------------------------|
| 05/01/2020 | +5       | 3,070M  | 5.00%       | 1.59      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 107.104)                     |
| 05/01/2021 | +6       | 3,225M  | 5.00%       | 1.75      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 109.848)                     |
| 05/01/2022 | +8       | 3,390M  | 5.00%       | 1.92      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 112.164)                     |
| 05/01/2023 | +9       | 3,565M  | 5.00%       | 2.08      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 114.130)                     |
| 05/01/2024 | +10      | 3,750M  | 5.00%       | 2.20      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 115.967)                     |
| 05/01/2025 | +12      | 3,940M  | 5.00%       | 2.34      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 117.367)                     |
| 05/01/2026 | +13      | 4,140M  | 5.00%       | 2.47      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 118.524)                     |
| 05/01/2027 | +15      | 4,355M  | 5.00%       | 2.58      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 117.638           |
| 2.797)     |          |         |             |           | Approx. YTM                  |
| 05/01/2028 | +16      | 4,580M  | 5.00%       | 2.66      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 116.999           |
| 3.037)     |          |         |             |           | Approx. YTM                  |
| 05/01/2029 | +17      | 4,810M  | 5.00%       | 2.74      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 116.364           |
| 3.237)     |          |         |             |           | Approx. YTM                  |
| 05/01/2030 | +18      | 5,060M  | 5.00%       | 2.81      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 115.811           |
| 3.398)     |          |         |             |           | Approx. YTM                  |
| 05/01/2031 | +18      | 5,320M  | 5.00%       | 2.86      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 115.418           |
| 3.523)     |          |         |             |           | Approx. YTM                  |
| 05/01/2032 | +18      | 5,590M  | 5.00%       | 2.90      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 115.105           |
| 3.624)     |          |         |             |           | Approx. YTM                  |
| 05/01/2033 | +18      | 5,880M  | 5.00%       | 2.95      | 0.275                        |
|            |          |         | (Approx. \$ | Price PTC | 05/01/2026 114.715           |
| 3.719)     |          |         |             |           | Approx. YTM                  |
| 05/01/2034 | +53      | 6,180M  | 3.25%       | 3.35      | 0.275                        |
|            |          |         | (Approx. \$ | Price     | 98.759)                      |

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CALL FEATURES: Optional call in 05/01/2026 @ 100.00  
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\*\*Bonds subject to ERP -- see page 30 of the POS\*\*

\* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, March 2, 2018.

Delivery is expected on Thursday, March 15, 2018.

This issue is book entry only. This issue is clearing through DTC.

Raymond James & Associates, Inc.

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

By: Raymond James & Associates, Inc. New York, NY

New Issue Book Entry

Moody's: "Aa2"  
Standard & Poor's: "AA"  
Fitch: "AA"  
(See "RATINGS" herein)

**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

**Dated: Delivery Date**

**Due: as shown on inside cover**

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Series 2018A Bonds") are being issued by the City of Syracuse Industrial Development Agency (the "Issuer") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "Indenture") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "SCSD"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "City") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "2008 Original Installment Sale Agreement"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "First Amended Agreement"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "Second Amended Agreement"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "Third Amended Agreement"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "Fourth Amended Agreement"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "Fifth Amended Agreement"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "Installment Sale Agreement" or "Agreement"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "JSCB").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("State Aid to Education"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "State"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "Depository Agreement"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "First Amendment to State Aid Depository Agreement" and together with the Depository Agreement collectively, the "State Aid Depository Agreement"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "Depository"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "State Comptroller") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespass & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 15, 2018.*

**Raymond James**

**FTN Financial Capital Markets**

**Loop Capital Markets**

**Ramirez & Co., Inc.**

Dated: March 1, 2018

\* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy any securities, in any jurisdiction, in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's assigns enhanced Aa2 to Syracuse I.D.A., NY's Rev bonds**

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**Global Credit Research - 12 Jan 2018**

New York, January 12, 2018 -- Moody's Investors Service has assigned a Aa2 enhanced rating to Syracuse City School District, NY's \$65.7 million School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A issued by the Syracuse Industrial Development Agency (NY).

#### **RATINGS RATIONALE**

The Aa2 enhanced rating is based on the New York Municipal School Aid Intercept Program which carries a Aa2 rating with a stable outlook. The program rating and outlook shadows the State of New York's long term rating of Aa1 stable. Additional consideration is given to an anticipated healthy coverage of maximum debt service from pledged revenues, given the district's high reliance on state operating aid.

#### **RATING OUTLOOK**

Given that no underlying rating was assigned, no outlook has been assigned.

#### **FACTORS THAT COULD LEAD TO AN UPGRADE**

- Improvement in New York State's General Obligation rating

#### **FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Downgrade of the General Obligation rating of New York State
- Deteriorating coverage levels

#### **LEGAL SECURITY**

The bonds are special limited obligations of the Syracuse IDA secured by Installment purchase payments from the City of Syracuse CSD.

#### **USE OF PROCEEDS**

The proceeds from the Series 2018 bonds will be used to finance Phase II of the redevelopment program which consists of reconstruction, construction and rehabilitation of existing school buildings, and the acquisition of certain equipment.

#### **PROFILE**

The Syracuse City School District serves a student population of 19,951 in the City of Syracuse (A1 stable). The Syracuse IDA is governmental agency created by the state legislature authorized to issue the School Facility Revenue Bonds.

#### **METHODOLOGY**

The principal methodology used in this rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

#### **REGULATORY DISCLOSURES**

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this

announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moodys.com](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for additional regulatory disclosures for each credit rating.

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**CREDIT OPINION**

12 January 2018

**Rate this Research** >>

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# Syracuse City School District, NY

## Update to credit analysis

**Summary**

The Syracuse IDA benefits from strong intercept mechanics as described in the New York Municipal School Aid Intercept Program. The school district benefits from high state aid providing strong coverage of debt service.

**Credit strengths**

- » Coverage during the interceptable period is strong
- » Moderate increases to state aid expected going forward

**Credit challenges**

- » State aid is subject to annual appropriation and delays

**Rating outlook**

Given that no underlying rating was assigned, no outlook has been assigned.

**Factors that could lead to an upgrade**

- » Improvement in New York State's General Obligation rating.

**Factors that could lead to a downgrade**

- » Downgrade of the General Obligation rating of New York State
- » Deteriorating coverage levels

**Detailed credit considerations**
**State approved special legislation for overhaul of Syracuse CSD facilities**

In 2006, the state enabled a comprehensive redevelopment program for the CSD's construction of new schools and improvements to existing school facilities through the Syracuse Schools Act over a course of four phases expected to total nearly \$1 billion. Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013.

**Financial Operations and Coverage: Strong coverage continues; School District obligated to make installment payments to IDA**

SIDA has no taxing authority and bondholder security is derived from an installment sale agreement between the CSD and SIDA under which the CSD will make annual payments equal to the annual debt service requirement. These payments are subject to annual

appropriation by the CSD (although state aid intercept mechanics offset the risk of non-appropriation as discussed above) and state aid pledged to the bonds is subject to annual appropriation by the state.

However, Moody's fully anticipates that state aid, which totaled \$318 million in fiscal 2017 compared to projected maximum annual debt service of \$8.5 million, will continue to be made given the fact that the CSD is the one of the largest school districts in New York State and relies on state aid for approximately 80% of its operating revenue.

State aid to the CSD continues to increase, and fiscal 2018 state aid is projected at \$332 million, providing strong provided ample coverage (39 times) of projected maximum annual debt service (MADS). Coverage during the four-month collection interceptable period was healthy at 21.7 times on a cash flow basis. Disbursements are subject to change and delay in the event of state cash flow limitations. However, Moody's believes that these coverage levels provide adequate cushion to mitigate any unforeseen pressure on the state budget. The July 15th state aid payment certificate can be modified subsequently in the event state cash flow disbursements are altered. Although there is no additional bonds test, given planned issuance only for projects approved for state building aid reimbursement (currently 98%), Moody's expects state aid would increase commensurate with additional issuance, and debt service coverage will remain strong. Projected total state aid for fiscal 2018 increases again to \$332 million total and \$184 million during the interceptable period.

#### **Strong Intercept Mechanics**

All state aid (state building and operating aid) will flow directly to the State Aid Depository Fund. Each July 15th, the CSD will provide to the trustee a "state aid payment certificate" which will delineate the percent of debt service to be deducted from state aid during the collection period (the aid-rich period between December 1st and March 31st, during which time approximately 60% of annual state aid is typically received). Excess aid will be forwarded to the CSD General Fund monthly after funding of the Bond Fund and any deficiencies in prior series' DSRFs. In the event state aid is insufficient to fund that month's deposit, the difference will be added to the following month's required segregation such that by March 31st, the May 1st principal and interest and the November 1st interest payments will be fully segregated.

#### **Debt and Legal Security**

Each issuance under this program is separately secured and enjoys a parity lien on state aid receipts of the district. As with past series, there is no additional bonds test.

Given the fact that this is an installment sale agreement between the SIDA and the CSD, and is supported predominantly by nonproperty tax sources, the debt is not legal indebtedness of the City of Syracuse (A1 Stable) and is not factored into its legal- and Moody's-calculated adjusted debt burden.

#### **COMPETING CLAIMS ON STATE AID REVENUE DON'T MATERIALLY DILUTE COVERAGE**

While competing claims on state aid exist, these will not materially dilute debt service coverage. Only Revenue Anticipation Notes (RANs) issued by the city on behalf of the CSD have a priority claim on state aid, which could dilute coverage in a worst case scenario, should a RAN borrowing require segregation as early as March. The city issues revenue anticipation notes each year on behalf of the CSD.

The city issued \$51.8 million in RANs on behalf of the CSD in October of 2017. The notes are payable on October 5, 2017. The city anticipates an additional cash flow borrowing on behalf of the CSD in the fall of 2018. Over the past five fiscal years, Syracuse has issued an average of \$53.6 million in RANs annually for the SCSD.

Declining enrollment or alteration of reimbursement rates and/or timing of payments by New York State could also cause coverage levels to fall. However, the CSD reports that general population declines are offset by growing enrollment of refugee students. Enrollment has grown from 19,713 in 2012 to 20,136 in 2018.

#### **DEBT-RELATED DERIVATIVES**

There is no exposure to debt-related derivatives

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**Management and Governance**

Despite reductions in reliance on reserves and out-year budget gaps, city management will be challenged to achieve balance over the near-term.

New York School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New York School Districts operate within a state-imposed property tax cap, which limits their ability to increase their operating levy by the lesser of 2% or CPI. This cap cannot be overridden at the local level, but can be overridden with 60% voter approval. Unpredictable revenue fluctuations tend to be low, or less than 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. New York State has public sector unions and the additional constraint of the Triborough Amendment, which limits the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, or between 5-10% annually.

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**Summary:**

## Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

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### Table Of Contents

---

Rationale

Outlook

## Summary:

# Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

## Credit Profile

US\$65.675 mil sch facility rev bnds (Syracuse City Sch Dist Proj) ser 2018A due 05/01/2035

*Long Term Rating*

AA/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA' rating to the Syracuse Industrial Development Agency, N.Y.'s series 2018A school facility revenue refunding. At the same time, we affirmed our 'AA' rating on the agency's series 2010, 2011A, 2011B, and 2017A general obligation (GO) debt. The outlook for all issues is stable.

The rating reflects what we view as:

- The strength of the statutory direct-pay intercept of state aid for education by the New York state comptroller, which is structured to be sent directly to the bond trustee in advance of debt service due dates to pay debt service;
- A established funding structure that allows for the timely intercept of state aid and payment of principal and interest on the bonds outstanding even if the school district fails to appropriate funds;
- The state's consistent and strong oversight of school districts with a long history of state support, especially in distressed situations; and
- Strong maximum annual debt service (MADS) coverage.

We typically rate intercept or withholding programs that meet certain requirements at a level one notch off of our GO debt rating on the state--on par with the state appropriation rating--reflecting the appropriation nature of the intercept or withholding mechanism. Accordingly, if we change the state GO rating, we would likely change the program rating. In our view, programs such as the one in place for Syracuse City School District, that allow for the full and timely payment of debt service from state aid with strong state oversight, qualify for the enhanced rating. Bond proceeds will be used for financing a portion of the costs of Phase II of the school redevelopment program, which consist of design and/or reconstruction, construction, and rehabilitation of existing school buildings.

The New York State Legislature has authorized the bonds under the Syracuse Schools Act of 2006. Under the State Aid Depository Agreement, the City and the Syracuse City School District instructed the state comptroller to pay all state building aid and operating aid for Syracuse city school districts to the state aid depository fund held by the depository bank. Under the indenture, deposits of state aid to pay debt service begin on Dec. 1, with sufficient funds set aside by March 31 to pay principal and interest payments on the subsequent May 1 and Nov. 1. Amounts in the state aid depository fund will be transferred to the bond fund held by the bond trustee to pay scheduled debt service.

MADS on the agency's school program bonds, including series 2010, 2011A, 2011B, 2017A, and the new 2018A series, is \$17.76 million and due in 2022. In the fiscal year ended June 30, 2017, the Syracuse City School District estimates it



received \$318.8 million in total state aid, which is consistent with the high state aid provided in previous years. For the November through April period, the district received about \$181.6 million in state aid, with a strong 10.2x MADS coverage. Fiscal 2017's total state aid provided MADS coverage of 17.9x for the program. The debt is amortized through 2035.

The structure of the program, in which state aid in the current state fiscal year funds debt service payments for the subsequent year, and historically strong coverage, provide adequate protection against delayed passage of state budgets.

## Outlook

The stable outlook reflects the current outlook on the state of New York's GO debt and the strength of state appropriations for New York education. We would expect the rating to change if our rating on New York State's GO debt changes

### Ratings Detail (As Of January 12, 2018)

|  |                 |          |
|--|-----------------|----------|
| Syracuse Indl Dev Agy sch fac rev bnds (Syracuse City Sch Dist Proj) |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy sch fac rfdg rev bnds                          |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy GO (AGM)                                       |                 |          |
| <i>Unenhanced Rating</i>   | AA(SPUR)/Stable | Affirmed |

Many issues are enhanced by bond insurance.

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# FitchRatings

## Fitch Rates Syracuse IDA School Facility (NY) Rev Bonds 'AA'; Outlook Stable

Fitch Ratings-New York-11 January 2018: Fitch Ratings has assigned a 'AA' rating to the following Syracuse Industrial Development Agency, NY (IDA) revenue bonds:

--\$65.7 million school facility revenue bonds (Syracuse city school district project), series 2018A.

In addition, Fitch has affirmed the 'AA' ratings on approximately \$32 million of school facility revenue bonds outstanding (Syracuse city school district project), series 2008A.

The Rating Outlook is Stable.

### SECURITY

The bonds are secured solely by state aid revenues annually appropriated to the Syracuse City School District by the state of New York and remitted to the district from the period Dec. 1 through March 31 (the collection period).

In the event that the district fails to appropriate state aid sufficient to cover debt service payments by Nov. 10 (for debt service payments scheduled for the following May 1 and Nov. 1), state aid sufficient to cover principal and interest will be intercepted by the state and forwarded to the trustee. As intercepted aid is not subject to appropriation by the district, this provision effectively removes the risk to bondholders of non-appropriation by the district.

There is no debt service reserve securing the 2018A bonds.

### KEY RATING DRIVERS

**RATING BASED ON STATE INTERCEPT:** The 'AA' rating is based on the state's obligation to intercept the district's state aid in a timely manner as needed to pay debt service. Administrative, structural and legal protections in place for the bonds provide credit enhancement for this debt at a level equal to one notch below New York State's 'AA+' Issuer Default Rating (IDR). The 'AA' rating does not reflect the district's underlying credit quality.

**STATE AID SET-ASIDE:** Bondholders benefit from remittance of state aid to a depository fund from which debt service is set aside before flowing to the district. In the event of a failure by the district to certify that sufficient funds have been set aside to cover upcoming debt service, state aid is remitted directly to the trustee, providing for pre-default payment.

**STRONG COVERAGE:** Interceptable state aid provides strong coverage of maximum annual debt service (MADS) on the current issue and on total authorized borrowing. Fitch expects coverage levels to remain strong despite potential modest declines in the coming years due to the district's extensive capital and borrowing plans, competition from charter schools and pressured enrolment.

### RATING SENSITIVITIES

**CHANGE IN NEW YORK'S IDR:** The rating is sensitive to a change in the state's IDR, to which these bonds are linked.

**MATERIAL WEAKENING IN COVERAGE LEVELS:** The rating assumes continued strong coverage of debt service by interceptible state aid. A material decline in future coverage could pressure the rating.

### CREDIT PROFILE

The New York State legislature Chapter 58 Pt. A4 of the Laws of 2006 (the intercept act), authorized the bonds to encourage the city and district to renovate its public schools. Capital improvement spending under phase one totaled \$145 million. The second phase was authorized by the state legislature in 2013 and authorized up to \$300 million in additional capital improvements. The district's capital and financial plan for phase two is broken into two sets of projects; the first set has been approved by the New York State Dept. of Education and includes six projects with a seventh in the design phase. The district estimates its total capital improvement costs over all phases of its modernization efforts at approximately \$1.2 billion, the majority of which is expected to be financed under the current borrowing program.

The school district is governed by an independently elected board of education. The city of Syracuse (A/Stable) city council approves the district's budget and levies taxes on its behalf, but does not otherwise exercise direct control over the district.

## STRONG COVERAGE BY STATE AID

State aid is remitted monthly, but unevenly, to the district during the course of the fiscal year. Between Dec. 1 and March 31, the district's state-aid moneys are remitted to a state-aid depository fund held outside the district. Funds for the payment of upcoming debt service are set aside and the remaining funds are forwarded to the district to cover operations.

In the event the district fails to certify to the trustee by Nov. 10 that it has set aside sufficient moneys to cover upcoming debt service, the trustee will notify the state comptroller. The comptroller will intercept pending state aid receipts destined for the district and remit such moneys immediately (between Nov. 15 and April 30) to the trustee. The intercept mechanism ensures that the trustee has sufficient funds on hand to cover debt service well in advance of the payment dates.

Fitch's 'AA' rating is based on the intercept mechanism which, if triggered, would take into account senior claims. Approximately 55% of interceptable state aid - \$184 million out of \$332 million in total fiscal 2018 state aid - will be remitted during the collection period. Coverage during the collection period from state aid is strong at an estimated 10.4x MADS for fiscal 2018. Coverage from all state aid appropriated during the fiscal year is an estimated 18.7x MADS. When collection-period state aid is considered versus MADS for the bonds and the district's senior debt obligations combined, coverage is still robust at an estimated 6.3x MADS.

Future building modernization projects will in all likelihood be supported by state building aid, which has historically covered about 80% of project costs. If that continues to be the case, Fitch expects coverage of debt service by state aid to remain strong.

## SENIOR LIEN RISKS TO INTERCEPT COVERAGE

Interceptable aid could be diminished due to various senior and parity claims to the district's state aid for education, such as late charter school payments by the district that have a senior claim to state aid funds.

Furthermore, the district has approximately \$35 million of outstanding general obligation (GO) debt that is subject to a post-default state aid intercept; senior GO bond claims on state aid resources could marginally diminish coverage. The intercept of funds to cure a GO default is senior to the regular payments on the school facility revenue bonds. However, if the intercept for the revenue bonds is also triggered, the defaulted GOs and the rated bonds would become parity obligations under the intercept act. Fitch does not believe the lien provisions for competing state aid claims materially affect the strength of debt service coverage.

## RISK OF LATE STATE BUDGET MITIGATED BY COLLECTION PERIOD

Fitch believes that the timeframe of the collection period mitigates risks associated with the possibility of late state-budget adoption, as the state's fiscal year begins on April 1. The collection period does not begin until Dec. 1 - eight months into the state's fiscal year. In the past, the state was up to 4 1/2 months late in adopting a budget; however, recent budget adoption has been on time. Fitch believes the risk of potential delays in state aid payments during times of budgetary pressure is mitigated by high coverage levels.

## PRESSURED DISTRICT ENROLLMENT AND CHARTER SCHOOL COMPETITION

Fitch believes that declining student enrollment and increased charter school competition may have a modestly negative affect on future growth in state aid revenues. The district has experienced a nearly 5% enrollment decline since 2007, to an estimated 20,136 students in 2018. The district posted a small enrollment gain for fiscal 2018, which it attributes to an influx of refugee families.

Fitch believes that the sustainability of recent enrollment growth is uncertain given the 1.2% population decrease in Syracuse since the 2010 U.S. Census. In addition, future enrollment losses from continued charter school development - if such development occurs - could outweigh population gains over time.

Three charter schools currently operate within the district and educate about 1,800 pupils (approximately 9% of district and charter enrollees). In 2010 the state legislature increased the statewide number of charter schools permitted, which allowed two additional charters to receive state approval in 2016. One new charter school opened in 2017 and enrolls about 230 students. All charters receive formulaic per pupil aid that passes through the district. The district made \$19.7 million in charter school payments in fiscal 2017. Officials estimate fiscal 2018 charter school payments will increase to about \$24 million, up 22% from the prior year.

Despite pressure on enrollment, management anticipates that state aid will increase due to a growing need for increased ESL services. The district's five-year financial plan estimated that state aid for education would increase by 4.4% in fiscal 2018, followed by more modest increases through fiscal 2021. Fiscal 2018 state aid receipts have closely matched management's expectations. Fitch anticipates coverage levels to remain high due to planned new debt issuances that will likely be supported by further increases in interceptable state building aid.

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**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A**

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The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

Raymond James shall have no liability, contingent or otherwise, to the recipient hereof or to any third party, or any responsibility whatsoever, for the accuracy, correctness, timeliness, reliability or completeness of the data or formulae provided herein or for the performance of or any other aspect of the materials, structures and strategies presented herein. Raymond James is neither acting as your financial advisor nor Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended), and expressly disclaims any fiduciary duty to you in connection with the subject matter of this Proposal.

Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires that we make the following disclosure to you at the earliest stages of our relationship, as underwriter, with respect to an issue of municipal securities: the underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or legal counsel.

Raymond James and affiliates, and officers, directors and employees thereof, including individuals who may be involved in the preparation or presentation of this material, may from time to time have positions in, and buy or sell, the securities, derivatives (including options) or other financial products of entities mentioned herein. In addition, Raymond James or affiliates thereof may have served as an underwriter or placement agent with respect to a public or private offering of securities by one or more of the entities referenced herein.

This Proposal is not a binding commitment, obligation, or undertaking of Raymond James. No obligation or liability with respect to any issuance or purchase of any Bonds or other securities described herein shall exist, nor shall any representations be deemed made, nor any reliance on any communications regarding the subject matter hereof be reasonable or justified unless and until (1) all necessary Raymond James, rating agency or other third party approvals, as applicable, shall have been obtained, including, without limitation, any required Raymond James senior management and credit committee approvals, (2) all of the terms and conditions of the documents pertaining to the subject transaction are agreed to by the parties thereto as evidenced by the execution and delivery of all such documents by all such parties, and (3) all conditions hereafter established by Raymond James for closing of the transaction have been satisfied in our sole discretion. Until execution and delivery of all such definitive agreements, all parties shall have the absolute right to amend this Proposal and/or terminate all negotiations for any reason without liability therefor.

## TABLE OF CONTENTS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Report                          | Page |
|---------------------------------|------|
| <b>Phase II - Tranche 1A</b>    |      |
| Sources and Uses of Funds       | 1    |
| Spread to Municipal Grade Yield | 2    |
| Bond Pricing                    | 3    |
| Bond Debt Service               | 4    |
| Net Debt Service                | 6    |
| Bond Summary Statistics         | 8    |
| Proof of Arbitrage Yield        | 9    |
| Average Takedown                | 11   |
| Underwriter's Discount          | 12   |
| Cost of Issuance                | 13   |
| <b>Bellevue</b>                 |      |
| Sources and Uses of Funds       | 14   |
| Bond Pricing                    | 15   |
| Bond Debt Service               | 16   |
| Net Debt Service                | 17   |
| Bond Summary Statistics         | 18   |
| <b>Ed Smith</b>                 |      |
| Sources and Uses of Funds       | 19   |
| Bond Pricing                    | 20   |
| Bond Debt Service               | 21   |
| Net Debt Service                | 22   |
| Bond Summary Statistics         | 23   |
| <b>Frazer</b>                   |      |
| Sources and Uses of Funds       | 24   |
| Bond Pricing                    | 25   |
| Bond Debt Service               | 26   |
| Net Debt Service                | 27   |
| Bond Summary Statistics         | 28   |
| <b>Grant</b>                    |      |
| Sources and Uses of Funds       | 29   |
| Bond Pricing                    | 30   |
| Bond Debt Service               | 31   |
| Net Debt Service                | 32   |
| Bond Summary Statistics         | 33   |

## SOURCES AND USES OF FUNDS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Sources  | Bellevue             | Ed Smith             | Frazer              | Grant                | Total                |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|
| <b>Bond Proceeds.</b>                          |                      |                      |                     |                      |                      |
| Par Amount                                     | 18,830,000 00        | 19,800,000 00        | 6,215,000 00        | 22,420,000 00        | 67,265,000 00        |
| Net Premium                                    | 2,665,170 45         | 2,808,185 95         | 880,862.75          | 3,178,289 50         | 9,532,508 65         |
|  | <u>21,495,170 45</u> | <u>22,608,185 95</u> | <u>7,095,862.75</u> | <u>25,598,289 50</u> | <u>76,797,508 65</u> |
| <b>Other Sources of Funds:</b>                 |                      |                      |                     |                      |                      |
| SCSD Contribution for BAN Interest Repayment   | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| SCSD Contribution for BAN Principal Repayment  | 145,572 92           | 153,020 83           | 48,072 92           | 173,333 33           | 520,000 00           |
|  | <u>163,351 47</u>    | <u>171,708.98</u>    | <u>53,943 98</u>    | <u>194,502 21</u>    | <u>583,506 64</u>    |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806.73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |
| <b>Uses.</b>                                   |                      |                      |                     |                      |                      |
| <b>Project Fund Deposits</b>                   |                      |                      |                     |                      |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12         | 2,182,733 36         | 685,725 79          | 2,472,476 73         | 7,417,430 00         |
| Deposit to Series 2018A Project Account        | 17,912,617 54        | 18,841,522 56        | 5,913,063 35        | 21,331,894 06        | 63,999,097 51        |
|  | <u>19,989,111 66</u> | <u>21,024,255 92</u> | <u>6,598,789 14</u> | <u>23,804,370 79</u> | <u>71,416,527 51</u> |
| <b>Other Fund Deposits</b>                     |                      |                      |                     |                      |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| BAN Principal Repayment from SCSD Contribution | 145,572 92           | 153,020 83           | 48,072 92           | 173,333 33           | 520,000 00           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461 94         | 1,080,678 96         | 339,108 68          | 1,224,075 90         | 3,671,325 48         |
|  | <u>1,190,813 41</u>  | <u>1,252,387 94</u>  | <u>393,052 66</u>   | <u>1,418,578 11</u>  | <u>4,254,832 12</u>  |
| <b>Delivery Date Expenses</b>                  |                      |                      |                     |                      |                      |
| Cost of Issuance                               | 116,733 98           | 122,747 35           | 38,529 04           | 138,989 63           | 417,000 00           |
| Underwriter's Discount                         | 110,858 45           | 116,569 17           | 36,589 77           | 131,993 95           | 396,011 34           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 156,854 42           | 164,934 55           | 51,771 12           | 186,759 23           | 560,319 32           |
| SIDA Fee (\$5 per Bond)                        | 94,150 00            | 99,000 00            | 31,075 00           | 112,100 00           | 336,325 00           |
|  | <u>478,596 85</u>    | <u>503,251 07</u>    | <u>157,964 93</u>   | <u>569,842 81</u>    | <u>1,709,655 66</u>  |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806 73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |

SPREAD TO MUNICIPAL GRADE YIELD  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Component    | Maturity Date | Rate   | Yield  | May Interpolated MMD* | Credit Spread |
|--------------|---------------|--------|--------|-----------------------|---------------|
| Serial Bond: |               |        |        |                       |               |
|              | 05/01/2020    | 5 000% | 1 500% | 1 540%                | -0.040%       |
|              | 05/01/2021    | 5 000% | 1 690% | 1 690%                |               |
|              | 05/01/2022    | 5 000% | 1 890% | 1 840%                | 0 050%        |
|              | 05/01/2023    | 5 000% | 2 010% | 1 990%                | 0.020%        |
|              | 05/01/2024    | 5 000% | 2 090% | 2 100%                | -0 010%       |
|              | 05/01/2025    | 5 000% | 2 240% | 2 220%                | 0 020%        |
|              | 05/01/2026    | 5 000% | 2 330% | 2.330%                |               |
|              | 05/01/2027    | 5 000% | 2 470% | 2.420%                | 0 050%        |
|              | 05/01/2028    | 5 000% | 2 540% | 2 490%                | 0 050%        |
|              | 05/01/2029    | 5.000% | 2 650% | 2 560%                | 0 090%        |
|              | 05/01/2030    | 5 000% | 2 740% | 2 620%                | 0 120%        |
|              | 05/01/2031    | 5 000% | 2.790% | 2 670%                | 0 120%        |
|              | 05/01/2032    | 5 000% | 2 820% | 2 710%                | 0 110%        |
|              | 05/01/2033    | 5 000% | 2 870% | 2 760%                | 0 110%        |
|              | 05/01/2034    | 3 250% | 3 350% | 2 810%                | 0 540%        |

Note \* MMD as of Close of Business on February 28, 2018

BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5 000% | 1 500% | 107 300   |                   |            |            | 225,570.00          | 2 750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5 000% | 1 690% | 110 040   |                   |            |            | 326,300 00          | 2 750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5 000% | 1 890% | 112 291   |                   |            |            | 419,737.65          | 2 750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5 000% | 2 010% | 114 496   |                   |            |            | 520,406.40          | 2 750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5 000% | 2 090% | 116 653   |                   |            |            | 628,650 75          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5 000% | 2 240% | 118 086   |                   |            |            | 718,014 20          | 2 750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5 000% | 2 330% | 119 663   |                   |            |            | 819,947 10          | 2 750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 812,277 40          | 2 750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 827,909 90          | 2 750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5 000% | 2 650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 827,477 55          | 2 750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5 000% | 2 740% | 116 364 C | 3 347%            | 05/01/2026 | 100 000    | 833,745 80          | 2 750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5 000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100 000    | 855,139 95          | 2 750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5.000% | 2 820% | 115.732 C | 3 572%            | 05/01/2026 | 100.000    | 885,711 60          | 2 750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5 000% | 2 870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 908,128 00          | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3 250% | 3 350% | 98 759    |                   |            |            | -76,507 65          | 2 750    |
|                |               |           | 67,265,000 |        |        |           |                   |            |            | 9,532,508 65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000 00 |             |
| Premium                | 9,532,508 65  |             |
| Production             | 76,797,508 65 | 114 171573% |
| Underwriter's Discount | -396,011 34   | -0 588733%  |
| Purchase Price         | 76,401,497 31 | 113 582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497 31 |             |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  |
|---------------|------------|--------|---------------|---------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  |
| 11/01/2019    |            |        | 3,255,362.50  | 3,255,362.50  |
| 11/01/2020    | 3,090,000  | 5.000% | 3,178,112.50  | 6,268,112.50  |
| 11/01/2021    | 3,250,000  | 5.000% | 3,019,612.50  | 6,269,612.50  |
| 11/01/2022    | 3,415,000  | 5.000% | 2,852,987.50  | 6,267,987.50  |
| 11/01/2023    | 3,590,000  | 5.000% | 2,677,862.50  | 6,267,862.50  |
| 11/01/2024    | 3,775,000  | 5.000% | 2,493,737.50  | 6,268,737.50  |
| 11/01/2025    | 3,970,000  | 5.000% | 2,300,112.50  | 6,270,112.50  |
| 11/01/2026    | 4,170,000  | 5.000% | 2,096,612.50  | 6,266,612.50  |
| 11/01/2027    | 4,385,000  | 5.000% | 1,882,737.50  | 6,267,737.50  |
| 11/01/2028    | 4,610,000  | 5.000% | 1,657,862.50  | 6,267,862.50  |
| 11/01/2029    | 4,845,000  | 5.000% | 1,421,487.50  | 6,266,487.50  |
| 11/01/2030    | 5,095,000  | 5.000% | 1,172,987.50  | 6,267,987.50  |
| 11/01/2031    | 5,355,000  | 5.000% | 911,737.50    | 6,266,737.50  |
| 11/01/2032    | 5,630,000  | 5.000% | 637,112.50    | 6,267,112.50  |
| 11/01/2033    | 5,920,000  | 5.000% | 348,362.50    | 6,268,362.50  |
| 11/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  | 2,043,644.23        |
| 05/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  |                     |
| 11/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  | 3,255,362.50        |
| 05/01/2020    | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25  |                     |
| 11/01/2020    |            |        | 1,550,431.25  | 1,550,431.25  | 6,268,112.50        |
| 05/01/2021    | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25  |                     |
| 11/01/2021    |            |        | 1,469,181.25  | 1,469,181.25  | 6,269,612.50        |
| 05/01/2022    | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25  |                     |
| 11/01/2022    |            |        | 1,383,806.25  | 1,383,806.25  | 6,267,987.50        |
| 05/01/2023    | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25  |                     |
| 11/01/2023    |            |        | 1,294,056.25  | 1,294,056.25  | 6,267,862.50        |
| 05/01/2024    | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25  |                     |
| 11/01/2024    |            |        | 1,199,681.25  | 1,199,681.25  | 6,268,737.50        |
| 05/01/2025    | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25  |                     |
| 11/01/2025    |            |        | 1,100,431.25  | 1,100,431.25  | 6,270,112.50        |
| 05/01/2026    | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25  |                     |
| 11/01/2026    |            |        | 996,181.25    | 996,181.25    | 6,266,612.50        |
| 05/01/2027    | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25  |                     |
| 11/01/2027    |            |        | 886,556.25    | 886,556.25    | 6,267,737.50        |
| 05/01/2028    | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25  |                     |
| 11/01/2028    |            |        | 771,306.25    | 771,306.25    | 6,267,862.50        |
| 05/01/2029    | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25  |                     |
| 11/01/2029    |            |        | 650,181.25    | 650,181.25    | 6,266,487.50        |
| 05/01/2030    | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25  |                     |
| 11/01/2030    |            |        | 522,806.25    | 522,806.25    | 6,267,987.50        |
| 05/01/2031    | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25  |                     |
| 11/01/2031    |            |        | 388,931.25    | 388,931.25    | 6,266,737.50        |
| 05/01/2032    | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25  |                     |
| 11/01/2032    |            |        | 248,181.25    | 248,181.25    | 6,267,112.50        |
| 05/01/2033    | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25  |                     |
| 11/01/2033    |            |        | 100,181.25    | 100,181.25    | 6,268,362.50        |
| 05/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |                     |
| 11/01/2034    |            |        |               |               | 6,265,181.25        |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 | 99,315,512.98       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Period Ending | Principal  | Coupon | Interest      | Total Debt Service | Capitalized Interest Fund (through 5/1/2019) | Net Debt Service |
|---------------|------------|--------|---------------|--------------------|--|------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23       | 2,043,644.23                                 |                  |
| 11/01/2019    |            |        | 3,255,362.50  | 3,255,362.50       | 1,627,681.25                                 | 1,627,681.25     |
| 11/01/2020    | 3,090,000  | 5.000% | 3,178,112.50  | 6,268,112.50       |  | 6,268,112.50     |
| 11/01/2021    | 3,250,000  | 5.000% | 3,019,612.50  | 6,269,612.50       |  | 6,269,612.50     |
| 11/01/2022    | 3,415,000  | 5.000% | 2,852,987.50  | 6,267,987.50       |  | 6,267,987.50     |
| 11/01/2023    | 3,590,000  | 5.000% | 2,677,862.50  | 6,267,862.50       |  | 6,267,862.50     |
| 11/01/2024    | 3,775,000  | 5.000% | 2,493,737.50  | 6,268,737.50       |  | 6,268,737.50     |
| 11/01/2025    | 3,970,000  | 5.000% | 2,300,112.50  | 6,270,112.50       |  | 6,270,112.50     |
| 11/01/2026    | 4,170,000  | 5.000% | 2,096,612.50  | 6,266,612.50       |  | 6,266,612.50     |
| 11/01/2027    | 4,385,000  | 5.000% | 1,882,737.50  | 6,267,737.50       |  | 6,267,737.50     |
| 11/01/2028    | 4,610,000  | 5.000% | 1,657,862.50  | 6,267,862.50       |  | 6,267,862.50     |
| 11/01/2029    | 4,845,000  | 5.000% | 1,421,487.50  | 6,266,487.50       |  | 6,266,487.50     |
| 11/01/2030    | 5,095,000  | 5.000% | 1,172,987.50  | 6,267,987.50       |  | 6,267,987.50     |
| 11/01/2031    | 5,355,000  | 5.000% | 911,737.50    | 6,266,737.50       |  | 6,266,737.50     |
| 11/01/2032    | 5,630,000  | 5.000% | 637,112.50    | 6,267,112.50       |  | 6,267,112.50     |
| 11/01/2033    | 5,920,000  | 5.000% | 348,362.50    | 6,268,362.50       |  | 6,268,362.50     |
| 11/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25       |  | 6,265,181.25     |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98      | 3,671,325.48                                 | 95,644,187.50    |



## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 2,043,644 23  | 2,043,644 23          | 2,043,644 23  |                     |                   |
| 05/01/2019 |            |        | 1,627,681 25  | 1,627,681 25          | 1,627,681 25  |                     |                   |
| 11/01/2019 |            |        | 1,627,681 25  | 1,627,681 25          |   | 1,627,681 25        | 1,627,681 25      |
| 05/01/2020 | 3,090,000  | 5 000% | 1,627,681 25  | 4,717,681 25          |   | 4,717,681 25        |                   |
| 11/01/2020 |            |        | 1,550,431 25  | 1,550,431 25          |   | 1,550,431 25        | 6,268,112 50      |
| 05/01/2021 | 3,250,000  | 5 000% | 1,550,431 25  | 4,800,431 25          |   | 4,800,431 25        |                   |
| 11/01/2021 |            |        | 1,469,181 25  | 1,469,181 25          |   | 1,469,181 25        | 6,269,612 50      |
| 05/01/2022 | 3,415,000  | 5 000% | 1,469,181 25  | 4,884,181 25          |   | 4,884,181 25        |                   |
| 11/01/2022 |            |        | 1,383,806 25  | 1,383,806 25          |   | 1,383,806 25        | 6,267,987 50      |
| 05/01/2023 | 3,590,000  | 5 000% | 1,383,806 25  | 4,973,806 25          |   | 4,973,806 25        |                   |
| 11/01/2023 |            |        | 1,294,056 25  | 1,294,056 25          |   | 1,294,056 25        | 6,267,862 50      |
| 05/01/2024 | 3,775,000  | 5 000% | 1,294,056 25  | 5,069,056 25          |   | 5,069,056 25        |                   |
| 11/01/2024 |            |        | 1,199,681 25  | 1,199,681 25          |   | 1,199,681 25        | 6,268,737 50      |
| 05/01/2025 | 3,970,000  | 5 000% | 1,199,681 25  | 5,169,681 25          |   | 5,169,681 25        |                   |
| 11/01/2025 |            |        | 1,100,431 25  | 1,100,431 25          |   | 1,100,431 25        | 6,270,112 50      |
| 05/01/2026 | 4,170,000  | 5 000% | 1,100,431 25  | 5,270,431 25          |   | 5,270,431 25        |                   |
| 11/01/2026 |            |        | 996,181 25    | 996,181 25            |   | 996,181 25          | 6,266,612 50      |
| 05/01/2027 | 4,385,000  | 5 000% | 996,181 25    | 5,381,181 25          |   | 5,381,181 25        |                   |
| 11/01/2027 |            |        | 886,556 25    | 886,556 25            |   | 886,556 25          | 6,267,737 50      |
| 05/01/2028 | 4,610,000  | 5 000% | 886,556 25    | 5,496,556 25          |   | 5,496,556 25        |                   |
| 11/01/2028 |            |        | 771,306 25    | 771,306 25            |   | 771,306 25          | 6,267,862 50      |
| 05/01/2029 | 4,845,000  | 5.000% | 771,306 25    | 5,616,306 25          |   | 5,616,306 25        |                   |
| 11/01/2029 |            |        | 650,181 25    | 650,181 25            |   | 650,181 25          | 6,266,487 50      |
| 05/01/2030 | 5,095,000  | 5 000% | 650,181 25    | 5,745,181 25          |   | 5,745,181 25        |                   |
| 11/01/2030 |            |        | 522,806 25    | 522,806 25            |   | 522,806 25          | 6,267,987 50      |
| 05/01/2031 | 5,355,000  | 5 000% | 522,806 25    | 5,877,806 25          |   | 5,877,806 25        |                   |
| 11/01/2031 |            |        | 388,931 25    | 388,931 25            |   | 388,931 25          | 6,266,737 50      |
| 05/01/2032 | 5,630,000  | 5 000% | 388,931 25    | 6,018,931 25          |   | 6,018,931 25        |                   |
| 11/01/2032 |            |        | 248,181 25    | 248,181 25            |   | 248,181 25          | 6,267,112 50      |
| 05/01/2033 | 5,920,000  | 5 000% | 248,181 25    | 6,168,181 25          |   | 6,168,181 25        |                   |
| 11/01/2033 |            |        | 100,181 25    | 100,181 25            |   | 100,181 25          | 6,268,362 50      |
| 05/01/2034 | 6,165,000  | 3 250% | 100,181 25    | 6,265,181 25          |   | 6,265,181 25        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 6,265,181 25      |
|            | 67,265,000 |        | 32,050,512 98 | 99,315,512 98         | 3,671,325 48  | 95,644,187 50       | 95,644,187 50     |

## BOND SUMMARY STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132024%     |
| Net Interest Cost (NIC)           | 3.390600%     |
| All-In TIC                        | 3.349673%     |
| Average Coupon                    | 4.742533%     |
| Average Life (years)              | 10.047        |
| Weighted Average Maturity (years) | 10.010        |
| Duration of Issue (years)         | 8.120         |
| Par Amount                        | 67,265,000.00 |
| Bond Proceeds                     | 76,797,508.65 |
| Total Interest                    | 32,050,512.98 |
| Net Interest                      | 22,914,015.67 |
| Total Debt Service                | 99,315,512.98 |
| Maximum Annual Debt Service       | 6,270,112.50  |
| Average Annual Debt Service       | 6,158,040.76  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.582840    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 67,265,000.00 | 114.172 | 4.743%         | 10.047       | 49,660.30         |
|                | 67,265,000.00 |         |                | 10.047       | 49,660.30         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 67,265,000.00 | 67,265,000.00 | 67,265,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 9,532,508.65  | 9,532,508.65  | 9,532,508.65    |
| - Underwriter's Discount   | -396,011.34   | -396,011.34   |                 |
| - Cost of Issuance Expense |               | -417,000.00   |                 |
| - Other Amounts            |               | -896,644.32   |                 |
| Target Value               | 76,401,497.31 | 75,087,852.99 | 76,797,508.65   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132024%     | 3.349673%     | 2.644747%       |

PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV Factor   | Present Value to 03/15/2018 @ 2.6447472168% |
|------------|---------------|---------------|-------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971 | 2,010,212.19                                |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324 | 1,580,158.37                                |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223 | 1,559,535.48                                |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481 | 4,461,173.76                                |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941 | 1,446,997.24                                |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472 | 4,421,708.29                                |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972 | 1,335,610.60                                |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367 | 4,382,186.89                                |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608 | 1,225,375.11                                |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676 | 4,346,876.25                                |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574 | 1,116,185.08                                |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336 | 4,315,238.60                                |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017 | 1,007,948.21                                |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700 | 4,286,775.69                                |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494 | 900,584.68                                  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530 | 33,205,369.32                               |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965 | 79,861.48                                   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979 | 78,819.20                                   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777 | 77,790.52                                   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588 | 76,775.26                                   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661 | 75,773.26                                   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270 | 74,784.33                                   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713 | 73,808.31                                   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307 | 72,845.02                                   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394 | 71,894.31                                   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334 | 70,956.01                                   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513 | 70,029.95                                   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334 | 69,115.98                                   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223 | 68,213.94                                   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626 | 67,323.67                                   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009 | 66,445.01                                   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859 | 4,101,136.64                                |
|            | 91,789,762.98 | 91,789,762.98 |             | 76,797,508.65                               |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5 000% | 2 470% | 05/01/2026 | 100 000    | 2.4698367%             |
| SERIAL         | 05/01/2028    | 5 000% | 2 540% | 05/01/2026 | 100.000    | 2.5398721%             |
| SERIAL         | 05/01/2029    | 5 000% | 2 650% | 05/01/2026 | 100 000    | 2.6497442%             |
| SERIAL         | 05/01/2030    | 5 000% | 2 740% | 05/01/2026 | 100 000    | 2.7397341%             |
| SERIAL         | 05/01/2031    | 5 000% | 2 790% | 05/01/2026 | 100 000    | 2.7897287%             |
| SERIAL         | 05/01/2032    | 5 000% | 2 820% | 05/01/2026 | 100 000    | 2.8198220%             |
| SERIAL         | 05/01/2033    | 5 000% | 2 870% | 05/01/2026 | 100 000    | 2.8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5 000% | 2 470% |           |            | 2.6963777%             | 0.2265411%        |
| SERIAL         | 05/01/2028    | 5 000% | 2 540% |           |            | 2.9364737%             | 0.3966016%        |
| SERIAL         | 05/01/2029    | 5 000% | 2.650% |           |            | 3.1663014%             | 0.5165572%        |
| SERIAL         | 05/01/2030    | 5 000% | 2 740% |           |            | 3.3466397%             | 0.6069056%        |
| SERIAL         | 05/01/2031    | 5 000% | 2 790% |           |            | 3.4741604%             | 0.6844317%        |
| SERIAL         | 05/01/2032    | 5 000% | 2 820% |           |            | 3.5716360%             | 0.7518140%        |
| SERIAL         | 05/01/2033    | 5 000% | 2 870% |           |            | 3.6689980%             | 0.7992417%        |

## AVERAGE TAKEDOWN

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Maturity Date | Par Amount | Takedown \$/Bond | Takedown Amount |
|----------------|---------------|------------|------------------|-----------------|
| Serial Bond    |               |            |                  |                 |
|                | 05/01/2020    | 3,090,000  | 2 7500           | 8,497 50        |
|                | 05/01/2021    | 3,250,000  | 2 7500           | 8,937 50        |
|                | 05/01/2022    | 3,415,000  | 2 7500           | 9,391 25        |
|                | 05/01/2023    | 3,590,000  | 2 7500           | 9,872 50        |
|                | 05/01/2024    | 3,775,000  | 2 7500           | 10,381 25       |
|                | 05/01/2025    | 3,970,000  | 2 7500           | 10,917 50       |
|                | 05/01/2026    | 4,170,000  | 2 7500           | 11,467 50       |
|                | 05/01/2027    | 4,385,000  | 2 7500           | 12,058 75       |
|                | 05/01/2028    | 4,610,000  | 2 7500           | 12,677 50       |
|                | 05/01/2029    | 4,845,000  | 2 7500           | 13,323 75       |
|                | 05/01/2030    | 5,095,000  | 2 7500           | 14,011 25       |
|                | 05/01/2031    | 5,355,000  | 2 7500           | 14,726 25       |
|                | 05/01/2032    | 5,630,000  | 2 7500           | 15,482 50       |
|                | 05/01/2033    | 5,920,000  | 2 7500           | 16,280 00       |
|                | 05/01/2034    | 6,165,000  | 2 7500           | 16,953.75       |
|                |               | 67,265,000 | 2 7500           | 184,978 75      |

## UNDERWRITER'S DISCOUNT

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Underwriter's Discount | \$/1000 | Amount     |
|------------------------|---------|------------|
| Average Takedown       | 2.75000 | 184,978.75 |
| Structuring            | 2.00000 | 134,530.00 |
| Underwriter's Counsel  | 1.00000 | 67,265.00  |
| Ipreo Book Running     | 0.06728 | 4,525.91   |
| Ipreo Order Monitor    | 0.03266 | 2,197.04   |
| Ipreo Wire Charges     | 0.00267 | 179.64     |
| DTC Charges            | 0.01189 | 800.00     |
| CUSIP                  | 0.00743 | 500.00     |
| CUSIP Disclosure Fee   | 0.00052 | 35.00      |
| Miscellaneous          | 0.01487 | 1,000.00   |
|                        | 5.88733 | 396,011.34 |

## COST OF ISSUANCE

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Cost of Issuance                             | \$/1000 | Amount     |
|--|---------|------------|
| Barclay Damon(Bond Counsel)                  | 1.85832 | 125,000 00 |
| Trespasz & Marquardt (SJSCB's Counsel)       | 0.96633 | 65,000 00  |
| Trustee (M&T)                                | 0.08177 | 5,500 00   |
| Trustee's Counsel (Hodgson Russ)             | 0.11893 | 8,000 00   |
| Bonadio (Auditor)                            | 0.08920 | 6,000 00   |
| Financial Advisor (Capital Markets Advisors) | 0.89199 | 60,000 00  |
| Moody's                                      | 0.63926 | 43,000 00  |
| S&P Global                                   | 0.53520 | 36,000 00  |
| Fitch Ratings                                | 0.59466 | 40,000 00  |
| MBBA   | 0.14867 | 10,000.00  |
| MBBA's Financial Advisor                     | 0.14867 | 10,000.00  |
| Printer (ImageMaster)                        | 0.07433 | 5,000.00   |
| Miscellaneous                                | 0.05203 | 3,500.00   |
|  | 6.19936 | 417,000 00 |

## SOURCES AND USES OF FUNDS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |               |
|---|---------------|
| Bond Proceeds                                 |               |
| Par Amount                                    | 18,830,000 00 |
| Net Premium                                   | 2,665,170 45  |
|   | 21,495,170 45 |
| Other Sources of Funds                        |               |
| SCSD Contribution for BAN Interest Repayment  | 17,778 55     |
| SCSD Contribution for BAN Principal Repayment | 145,572 92    |
|   | 163,351 47    |
|   | 21,658,521 92 |

## Uses

|  |               |
|--|---------------|
| Project Fund Deposits                          |               |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12  |
| Deposit to Series 2018A Project Account        | 17,912,617 54 |
|  | 19,989,111 66 |
| Other Fund Deposits                            |               |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55     |
| BAN Principal Repayment from SCSD Contribution | 145,572 92    |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461 94  |
|  | 1,190,813 41  |
| Delivery Date Expenses                         |               |
| Cost of Issuance                               | 116,733 98    |
| Underwriter's Discount                         | 110,858 45    |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854 42    |
| SIDA Fee (\$5 per Bond)                        | 94,150 00     |
|  | 478,596 85    |
|  | 21,658,521 92 |



BOND PRICING

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 865,000    | 5 000% | 1 500% | 107.300   |                   |            |            | 63,145.00           | 2 750    |
|                | 05/01/2021    | 871683CV8 | 915,000    | 5 000% | 1 690% | 110.040   |                   |            |            | 91,866.00           | 2 750    |
|                | 05/01/2022    | 871683CW6 | 960,000    | 5 000% | 1 890% | 112.291   |                   |            |            | 117,993.60          | 2 750    |
|                | 05/01/2023    | 871683CX4 | 1,000,000  | 5 000% | 2 010% | 114.496   |                   |            |            | 144,960.00          | 2 750    |
|                | 05/01/2024    | 871683CY2 | 1,060,000  | 5 000% | 2 090% | 116.653   |                   |            |            | 176,521.80          | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 1,100,000  | 5 000% | 2 240% | 118.086   |                   |            |            | 198,946.00          | 2 750    |
|                | 05/01/2026    | 871683DA3 | 1,155,000  | 5 000% | 2 330% | 119.663   |                   |            |            | 227,107.65          | 2 750    |
|                | 05/01/2027    | 871683DB1 | 1,240,000  | 5 000% | 2 470% | 118.524 C | 2 697%            | 05/01/2026 | 100 000    | 229,697.60          | 2 750    |
|                | 05/01/2028    | 871683DC9 | 1,275,000  | 5 000% | 2 540% | 117.959 C | 2 937%            | 05/01/2026 | 100 000    | 228,977.25          | 2 750    |
|                | 05/01/2029    | 871683DD7 | 1,355,000  | 5 000% | 2 650% | 117.079 C | 3 167%            | 05/01/2026 | 100 000    | 231,420.45          | 2 750    |
|                | 05/01/2030    | 871683DE5 | 1,440,000  | 5 000% | 2 740% | 116.364 C | 3 347%            | 05/01/2026 | 100 000    | 235,641.60          | 2 750    |
|                | 05/01/2031    | 871683DF2 | 1,510,000  | 5 000% | 2 790% | 115.969 C | 3 474%            | 05/01/2026 | 100 000    | 241,131.90          | 2 750    |
|                | 05/01/2032    | 871683DG0 | 1,575,000  | 5.000% | 2.820% | 115.732 C | 3 572%            | 05/01/2026 | 100 000    | 247,779.00          | 2 750    |
|                | 05/01/2033    | 871683DH8 | 1,640,000  | 5 000% | 2 870% | 115.340 C | 3 669%            | 05/01/2026 | 100 000    | 251,576.00          | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 1,740,000  | 3.250% | 3 350% | 98.759    |                   |            |            | -21,593.40          | 2 750    |
|                |               |           | 18,830,000 |        |        |           |                   |            |            | 2,665,170.45        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 18,830,000.00 |             |
| Premium                | 2,665,170.45  |             |
| Production             | 21,495,170.45 | 114.153853% |
| Underwriter's Discount | -110,858.45   | -0.588733%  |
| Purchase Price         | 21,384,312.00 | 113.565119% |
| Accrued Interest       |               |             |
| Net Proceeds           | 21,384,312.00 |             |

## BOND DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest     | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|--------------|---------------|------------------------|
| 11/01/2018       |            |        | 571,936.94   | 571,936.94    | 571,936.94             |
| 05/01/2019       |            |        | 455,525.00   | 455,525.00    |                        |
| 11/01/2019       |            |        | 455,525.00   | 455,525.00    | 911,050.00             |
| 05/01/2020       | 865,000    | 5.000% | 455,525.00   | 1,320,525.00  |                        |
| 11/01/2020       |            |        | 433,900.00   | 433,900.00    | 1,754,425.00           |
| 05/01/2021       | 915,000    | 5.000% | 433,900.00   | 1,348,900.00  |                        |
| 11/01/2021       |            |        | 411,025.00   | 411,025.00    | 1,759,925.00           |
| 05/01/2022       | 960,000    | 5.000% | 411,025.00   | 1,371,025.00  |                        |
| 11/01/2022       |            |        | 387,025.00   | 387,025.00    | 1,758,050.00           |
| 05/01/2023       | 1,000,000  | 5.000% | 387,025.00   | 1,387,025.00  |                        |
| 11/01/2023       |            |        | 362,025.00   | 362,025.00    | 1,749,050.00           |
| 05/01/2024       | 1,060,000  | 5.000% | 362,025.00   | 1,422,025.00  |                        |
| 11/01/2024       |            |        | 335,525.00   | 335,525.00    | 1,757,550.00           |
| 05/01/2025       | 1,100,000  | 5.000% | 335,525.00   | 1,435,525.00  |                        |
| 11/01/2025       |            |        | 308,025.00   | 308,025.00    | 1,743,550.00           |
| 05/01/2026       | 1,155,000  | 5.000% | 308,025.00   | 1,463,025.00  |                        |
| 11/01/2026       |            |        | 279,150.00   | 279,150.00    | 1,742,175.00           |
| 05/01/2027       | 1,240,000  | 5.000% | 279,150.00   | 1,519,150.00  |                        |
| 11/01/2027       |            |        | 248,150.00   | 248,150.00    | 1,767,300.00           |
| 05/01/2028       | 1,275,000  | 5.000% | 248,150.00   | 1,523,150.00  |                        |
| 11/01/2028       |            |        | 216,275.00   | 216,275.00    | 1,739,425.00           |
| 05/01/2029       | 1,355,000  | 5.000% | 216,275.00   | 1,571,275.00  |                        |
| 11/01/2029       |            |        | 182,400.00   | 182,400.00    | 1,753,675.00           |
| 05/01/2030       | 1,440,000  | 5.000% | 182,400.00   | 1,622,400.00  |                        |
| 11/01/2030       |            |        | 146,400.00   | 146,400.00    | 1,768,800.00           |
| 05/01/2031       | 1,510,000  | 5.000% | 146,400.00   | 1,656,400.00  |                        |
| 11/01/2031       |            |        | 108,650.00   | 108,650.00    | 1,765,050.00           |
| 05/01/2032       | 1,575,000  | 5.000% | 108,650.00   | 1,683,650.00  |                        |
| 11/01/2032       |            |        | 69,275.00    | 69,275.00     | 1,752,925.00           |
| 05/01/2033       | 1,640,000  | 5.000% | 69,275.00    | 1,709,275.00  |                        |
| 11/01/2033       |            |        | 28,275.00    | 28,275.00     | 1,737,550.00           |
| 05/01/2034       | 1,740,000  | 3.250% | 28,275.00    | 1,768,275.00  |                        |
| 11/01/2034       |            |        |              |               | 1,768,275.00           |
|                  | 18,830,000 |        | 8,970,711.94 | 27,800,711.94 | 27,800,711.94          |

## NET DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 571,936 94   | 571,936 94            | 571,936 94  |                     |                   |
| 05/01/2019 |            |        | 455,525 00   | 455,525 00            | 455,525 00  |                     |                   |
| 11/01/2019 |            |        | 455,525 00   | 455,525 00            |   | 455,525             | 455,525           |
| 05/01/2020 | 865,000    | 5 000% | 455,525 00   | 1,320,525 00          |   | 1,320,525           |                   |
| 11/01/2020 |            |        | 433,900 00   | 433,900 00            |   | 433,900             | 1,754,425         |
| 05/01/2021 | 915,000    | 5 000% | 433,900 00   | 1,348,900 00          |   | 1,348,900           |                   |
| 11/01/2021 |            |        | 411,025 00   | 411,025 00            |   | 411,025             | 1,759,925         |
| 05/01/2022 | 960,000    | 5 000% | 411,025 00   | 1,371,025 00          |   | 1,371,025           |                   |
| 11/01/2022 |            |        | 387,025 00   | 387,025 00            |   | 387,025             | 1,758,050         |
| 05/01/2023 | 1,000,000  | 5 000% | 387,025 00   | 1,387,025 00          |   | 1,387,025           |                   |
| 11/01/2023 |            |        | 362,025 00   | 362,025 00            |   | 362,025             | 1,749,050         |
| 05/01/2024 | 1,060,000  | 5 000% | 362,025 00   | 1,422,025 00          |   | 1,422,025           |                   |
| 11/01/2024 |            |        | 335,525 00   | 335,525 00            |   | 335,525             | 1,757,550         |
| 05/01/2025 | 1,100,000  | 5 000% | 335,525 00   | 1,435,525 00          |   | 1,435,525           |                   |
| 11/01/2025 |            |        | 308,025 00   | 308,025 00            |   | 308,025             | 1,743,550         |
| 05/01/2026 | 1,155,000  | 5 000% | 308,025 00   | 1,463,025 00          |   | 1,463,025           |                   |
| 11/01/2026 |            |        | 279,150 00   | 279,150 00            |   | 279,150             | 1,742,175         |
| 05/01/2027 | 1,240,000  | 5 000% | 279,150 00   | 1,519,150 00          |   | 1,519,150           |                   |
| 11/01/2027 |            |        | 248,150 00   | 248,150 00            |   | 248,150             | 1,767,300         |
| 05/01/2028 | 1,275,000  | 5 000% | 248,150 00   | 1,523,150 00          |   | 1,523,150           |                   |
| 11/01/2028 |            |        | 216,275 00   | 216,275 00            |   | 216,275             | 1,739,425         |
| 05/01/2029 | 1,355,000  | 5 000% | 216,275 00   | 1,571,275 00          |   | 1,571,275           |                   |
| 11/01/2029 |            |        | 182,400 00   | 182,400 00            |   | 182,400             | 1,753,675         |
| 05/01/2030 | 1,440,000  | 5 000% | 182,400 00   | 1,622,400 00          |   | 1,622,400           |                   |
| 11/01/2030 |            |        | 146,400 00   | 146,400 00            |   | 146,400             | 1,768,800         |
| 05/01/2031 | 1,510,000  | 5 000% | 146,400 00   | 1,656,400 00          |   | 1,656,400           |                   |
| 11/01/2031 |            |        | 108,650 00   | 108,650 00            |   | 108,650             | 1,765,050         |
| 05/01/2032 | 1,575,000  | 5 000% | 108,650 00   | 1,683,650 00          |   | 1,683,650           |                   |
| 11/01/2032 |            |        | 69,275 00    | 69,275 00             |   | 69,275              | 1,752,925         |
| 05/01/2033 | 1,640,000  | 5 000% | 69,275 00    | 1,709,275 00          |   | 1,709,275           |                   |
| 11/01/2033 |            |        | 28,275 00    | 28,275 00             |   | 28,275              | 1,737,550         |
| 05/01/2034 | 1,740,000  | 3 250% | 28,275 00    | 1,768,275 00          |   | 1,768,275           |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,768,275         |
|            | 18,830,000 |        | 8,970,711 94 | 27,800,711 94         | 1,027,461.94  | 26,773,250          | 26,773,250        |

BOND SUMMARY STATISTICS

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132505%     |
| Net Interest Cost (NIC)           | 3.390686%     |
| All-In TIC                        | 3.350144%     |
| Average Coupon                    | 4.740488%     |
| Average Life (years)              | 10.050        |
| Weighted Average Maturity (years) | 10.012        |
| Duration of Issue (years)         | 8.121         |
| Par Amount                        | 18,830,000.00 |
| Bond Proceeds                     | 21,495,170.45 |
| Total Interest                    | 8,970,711.94  |
| Net Interest                      | 6,416,399.94  |
| Total Debt Service                | 27,800,711.94 |
| Maximum Annual Debt Service       | 1,768,800.00  |
| Average Annual Debt Service       | 1,723,778.21  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.565119    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 18,830,000.00 | 114.154 | 4.740%         | 10.050       | 13,905.75         |
|                | 18,830,000.00 |         |                | 10.050       | 13,905.75         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 18,830,000.00 | 18,830,000.00 | 18,830,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,665,170.45  | 2,665,170.45  | 2,665,170.45    |
| - Underwriter's Discount   | -110,858.45   | -110,858.45   |                 |
| - Cost of Issuance Expense |               | -116,733.98   |                 |
| - Other Amounts            |               | -251,004.42   |                 |
| Target Value               | 21,384,312.00 | 21,016,573.60 | 21,495,170.45   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132505%     | 3.350144%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources:

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 19,800,000 00        |
| Net Premium                                   | <u>2,808,185 95</u>  |
|   | 22,608,185.95        |
|   |                      |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 18,688 15            |
| SCSD Contribution for BAN Principal Repayment | <u>153,020 83</u>    |
|   | 171,708.98           |
|   | <u>22,779,894 93</u> |

## Uses:

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,182,733 36         |
| Deposit to Series 2018A Project Account        | <u>18,841,522 56</u> |
|  | 21,024,255 92        |
|  |                      |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 18,688 15            |
| BAN Principal Repayment from SCSD Contribution | 153,020 83           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,080,678 96</u>  |
|  | 1,252,387 94         |
|  |                      |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 122,747 35           |
| Underwriter's Discount                         | 116,569 17           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 164,934 55           |
| SIDA Fee (\$5 per Bond)                        | <u>99,000 00</u>     |
|  | 503,251 07           |
|  | <u>22,779,894 93</u> |

BOND PRICING

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 900,000    | 5.000% | 1.500% | 107.300 |                   |            |            | 65,700.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 950,000    | 5.000% | 1.690% | 110.040 |                   |            |            | 95,380.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 995,000    | 5.000% | 1.890% | 112.291 |                   |            |            | 122,295.45          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,065,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 154,382.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,100,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 183,183.00          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,170,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 211,606.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,240,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 243,821.20          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,285,000  | 5.000% | 2.470% | 118.524 | 2.697%            | 05/01/2026 | 100.000    | 238,033.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,375,000  | 5.000% | 2.540% | 117.959 | 2.937%            | 05/01/2026 | 100.000    | 246,936.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,440,000  | 5.000% | 2.650% | 117.079 | 3.167%            | 05/01/2026 | 100.000    | 245,937.60          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,510,000  | 5.000% | 2.740% | 116.364 | 3.347%            | 05/01/2026 | 100.000    | 247,096.40          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,560,000  | 5.000% | 2.790% | 115.969 | 3.474%            | 05/01/2026 | 100.000    | 249,116.40          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,640,000  | 5.000% | 2.820% | 115.732 | 3.572%            | 05/01/2026 | 100.000    | 258,004.80          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,755,000  | 5.000% | 2.870% | 115.340 | 3.669%            | 05/01/2026 | 100.000    | 269,217.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,815,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -22,524.15          | 2.750    |
|                |               |           | 19,800,000 |        |        |         |                   |            |            | 2,808,185.95        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 19,800,000.00 |             |
| Premium                | 2,808,185.95  |             |
| Production             | 22,608,185.95 | 114.182757% |
| Underwriter's Discount | -116,569.17   | -0.588733%  |
| Purchase Price         | 22,491,616.78 | 113.594024% |
| Accrued Interest       |               |             |
| Net Proceeds           | 22,491,616.78 |             |

## BOND DEBT SERVICE

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

Dated Date 03/15/2018  
Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|------------|--------|--------------|---------------|---------------------|
| 11/01/2018    |            |        | 601,560 21   | 601,560 21    | 601,560 21          |
| 05/01/2019    |            |        | 479,118 75   | 479,118 75    |                     |
| 11/01/2019    |            |        | 479,118 75   | 479,118 75    | 958,237 50          |
| 05/01/2020    | 900,000    | 5 000% | 479,118 75   | 1,379,118 75  |                     |
| 11/01/2020    |            |        | 456,618 75   | 456,618 75    | 1,835,737 50        |
| 05/01/2021    | 950,000    | 5 000% | 456,618 75   | 1,406,618 75  |                     |
| 11/01/2021    |            |        | 432,868 75   | 432,868 75    | 1,839,487 50        |
| 05/01/2022    | 995,000    | 5 000% | 432,868 75   | 1,427,868 75  |                     |
| 11/01/2022    |            |        | 407,993 75   | 407,993 75    | 1,835,862 50        |
| 05/01/2023    | 1,065,000  | 5 000% | 407,993 75   | 1,472,993 75  |                     |
| 11/01/2023    |            |        | 381,368 75   | 381,368 75    | 1,854,362 50        |
| 05/01/2024    | 1,100,000  | 5 000% | 381,368 75   | 1,481,368 75  |                     |
| 11/01/2024    |            |        | 353,868 75   | 353,868 75    | 1,835,237 50        |
| 05/01/2025    | 1,170,000  | 5 000% | 353,868 75   | 1,523,868 75  |                     |
| 11/01/2025    |            |        | 324,618 75   | 324,618 75    | 1,848,487 50        |
| 05/01/2026    | 1,240,000  | 5 000% | 324,618 75   | 1,564,618 75  |                     |
| 11/01/2026    |            |        | 293,618 75   | 293,618 75    | 1,858,237 50        |
| 05/01/2027    | 1,285,000  | 5 000% | 293,618 75   | 1,578,618 75  |                     |
| 11/01/2027    |            |        | 261,493 75   | 261,493 75    | 1,840,112 50        |
| 05/01/2028    | 1,375,000  | 5 000% | 261,493 75   | 1,636,493 75  |                     |
| 11/01/2028    |            |        | 227,118 75   | 227,118 75    | 1,863,612 50        |
| 05/01/2029    | 1,440,000  | 5 000% | 227,118 75   | 1,667,118 75  |                     |
| 11/01/2029    |            |        | 191,118 75   | 191,118 75    | 1,858,237 50        |
| 05/01/2030    | 1,510,000  | 5 000% | 191,118 75   | 1,701,118 75  |                     |
| 11/01/2030    |            |        | 153,368 75   | 153,368 75    | 1,854,487 50        |
| 05/01/2031    | 1,560,000  | 5.000% | 153,368 75   | 1,713,368 75  |                     |
| 11/01/2031    |            |        | 114,368 75   | 114,368 75    | 1,827,737 50        |
| 05/01/2032    | 1,640,000  | 5 000% | 114,368 75   | 1,754,368 75  |                     |
| 11/01/2032    |            |        | 73,368 75    | 73,368 75     | 1,827,737 50        |
| 05/01/2033    | 1,755,000  | 5 000% | 73,368 75    | 1,828,368 75  |                     |
| 11/01/2033    |            |        | 29,493 75    | 29,493 75     | 1,857,862 50        |
| 05/01/2034    | 1,815,000  | 3 250% | 29,493 75    | 1,844,493 75  |                     |
| 11/01/2034    |            |        |              |               | 1,844,493 75        |
|               | 19,800,000 |        | 9,441,491 46 | 29,241,491 46 | 29,241,491 46       |

## NET DEBT SERVICE

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 601,560 21   | 601,560 21            | 601,560 21  |                     |                   |
| 05/01/2019 |            |        | 479,118 75   | 479,118 75            | 479,118 75  |                     |                   |
| 11/01/2019 |            |        | 479,118 75   | 479,118 75            |   | 479,118 75          | 479,118.75        |
| 05/01/2020 | 900,000    | 5 000% | 479,118 75   | 1,379,118 75          |   | 1,379,118 75        |                   |
| 11/01/2020 |            |        | 456,618 75   | 456,618 75            |   | 456,618 75          | 1,835,737 50      |
| 05/01/2021 | 950,000    | 5.000% | 456,618 75   | 1,406,618.75          |   | 1,406,618 75        |                   |
| 11/01/2021 |            |        | 432,868 75   | 432,868 75            |   | 432,868 75          | 1,839,487 50      |
| 05/01/2022 | 995,000    | 5 000% | 432,868 75   | 1,427,868 75          |   | 1,427,868 75        |                   |
| 11/01/2022 |            |        | 407,993.75   | 407,993 75            |   | 407,993 75          | 1,835,862 50      |
| 05/01/2023 | 1,065,000  | 5 000% | 407,993.75   | 1,472,993.75          |   | 1,472,993 75        |                   |
| 11/01/2023 |            |        | 381,368.75   | 381,368 75            |   | 381,368 75          | 1,854,362 50      |
| 05/01/2024 | 1,100,000  | 5 000% | 381,368 75   | 1,481,368 75          |   | 1,481,368 75        |                   |
| 11/01/2024 |            |        | 353,868.75   | 353,868 75            |   | 353,868 75          | 1,835,237 50      |
| 05/01/2025 | 1,170,000  | 5 000% | 353,868 75   | 1,523,868 75          |   | 1,523,868 75        |                   |
| 11/01/2025 |            |        | 324,618 75   | 324,618 75            |   | 324,618 75          | 1,848,487 50      |
| 05/01/2026 | 1,240,000  | 5 000% | 324,618 75   | 1,564,618 75          |   | 1,564,618 75        |                   |
| 11/01/2026 |            |        | 293,618 75   | 293,618 75            |   | 293,618 75          | 1,858,237 50      |
| 05/01/2027 | 1,285,000  | 5 000% | 293,618 75   | 1,578,618 75          |   | 1,578,618 75        |                   |
| 11/01/2027 |            |        | 261,493 75   | 261,493 75            |   | 261,493 75          | 1,840,112 50      |
| 05/01/2028 | 1,375,000  | 5 000% | 261,493 75   | 1,636,493.75          |   | 1,636,493 75        |                   |
| 11/01/2028 |            |        | 227,118 75   | 227,118.75            |   | 227,118 75          | 1,863,612 50      |
| 05/01/2029 | 1,440,000  | 5 000% | 227,118 75   | 1,667,118 75          |   | 1,667,118 75        |                   |
| 11/01/2029 |            |        | 191,118 75   | 191,118 75            |   | 191,118 75          | 1,858,237 50      |
| 05/01/2030 | 1,510,000  | 5 000% | 191,118 75   | 1,701,118.75          |   | 1,701,118 75        |                   |
| 11/01/2030 |            |        | 153,368.75   | 153,368 75            |   | 153,368 75          | 1,854.487 50      |
| 05/01/2031 | 1,560,000  | 5 000% | 153,368 75   | 1,713,368 75          |   | 1,713,368 75        |                   |
| 11/01/2031 |            |        | 114,368 75   | 114,368 75            |   | 114,368 75          | 1,827,737 50      |
| 05/01/2032 | 1,640,000  | 5 000% | 114,368 75   | 1,754,368 75          |   | 1,754,368 75        |                   |
| 11/01/2032 |            |        | 73,368 75    | 73,368 75             |   | 73,368 75           | 1,827,737 50      |
| 05/01/2033 | 1,755,000  | 5 000% | 73,368 75    | 1,828,368.75          |   | 1,828,368 75        |                   |
| 11/01/2033 |            |        | 29,493 75    | 29,493 75             |   | 29,493.75           | 1,857,862 50      |
| 05/01/2034 | 1,815,000  | 3 250% | 29,493.75    | 1,844,493 75          |   | 1,844,493 75        |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,844,493 75      |
|            | 19,800,000 |        | 9,441,491 46 | 29,241,491 46         | 1,080,678 96  | 28,160,812 50       | 28,160,812 50     |



## BOND SUMMARY STATISTICS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132008%     |
| Net Interest Cost (NIC)           | 3.390619%     |
| All-In TIC                        | 3.349494%     |
| Average Coupon                    | 4.742681%     |
| Average Life (years)              | 10.054        |
| Weighted Average Maturity (years) | 10.016        |
| Duration of Issue (years)         | 8.125         |
| Par Amount                        | 19,800,000.00 |
| Bond Proceeds                     | 22,608,185.95 |
| Total Interest                    | 9,441,491.46  |
| Net Interest                      | 6,749,874.68  |
| Total Debt Service                | 29,241,491.46 |
| Maximum Annual Debt Service       | 1,863,612.50  |
| Average Annual Debt Service       | 1,813,113.49  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137332      |
| Total Underwriter's Discount      | 5.887332      |
| Bid Price                         | 113.594024    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 19,800,000.00 | 114.183 | 4.743%         | 10.054       | 14,630.70         |
|                | 19,800,000.00 |         |                | 10.054       | 14,630.70         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 19,800,000.00 | 19,800,000.00 | 19,800,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,808,185.95  | 2,808,185.95  | 2,808,185.95    |
| - Underwriter's Discount   | -116,569.17   | -116,569.17   |                 |
| - Cost of Issuance Expense |               | -122,747.35   |                 |
| - Other Amounts            |               | -263,934.55   |                 |
| Target Value               | 22,491,616.78 | 22,104,934.88 | 22,608,185.95   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132008%     | 3.349494%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                     |
|---|---------------------|
| <b>Bond Proceeds</b>                          |                     |
| Par Amount                                    | 6,215,000 00        |
| Net Premium                                   | <u>880,862 75</u>   |
|   | 7,095,862 75        |
| <br>  |                     |
| <b>Other Sources of Funds</b>                 |                     |
| SCSD Contribution for BAN Interest Repayment  | 5,871 06            |
| SCSD Contribution for BAN Principal Repayment | <u>48,072 92</u>    |
|   | 53,943 98           |
|   | <br>                |
|   | <u>7,149,806 73</u> |

## Uses

|  |                     |
|--|---------------------|
| <b>Project Fund Deposits</b>                   |                     |
| BAN Principal Repayment from Bond Proceeds     | 685,725 79          |
| Deposit to Series 2018A Project Account        | <u>5,913,063 35</u> |
|  | 6,598,789 14        |
| <br>   |                     |
| <b>Other Fund Deposits</b>                     |                     |
| BAN Interest Repayment from SCSD Contribution  | 5,871 06            |
| BAN Principal Repayment from SCSD Contribution | 48,072 92           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>339,108 68</u>   |
|  | 393,052 66          |
| <br>   |                     |
| <b>Delivery Date Expenses:</b>                 |                     |
| Cost of Issuance                               | 38,529 04           |
| Underwriter's Discount                         | 36,589 77           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 51,771 12           |
| SIDA Fee (\$5 per Bond)                        | <u>31,075 00</u>    |
|  | 157,964 93          |
|  | <br>                |
|  | <u>7,149,806 73</u> |

BOND PRICING

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount    | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|-----------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 285,000   | 5.000% | 1.500% | 107.300   |                   |            |            | 20,805.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 295,000   | 5.000% | 1.690% | 110.040   |                   |            |            | 29,618.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 310,000   | 5.000% | 1.890% | 112.291   |                   |            |            | 38,102.10           | 2.750    |
|                | 05/01/2023    | 871683CX4 | 325,000   | 5.000% | 2.010% | 114.496   |                   |            |            | 47,112.00           | 2.750    |
|                | 05/01/2024    | 871683CY2 | 345,000   | 5.000% | 2.090% | 116.653   |                   |            |            | 57,452.85           | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 365,000   | 5.000% | 2.240% | 118.086   |                   |            |            | 66,013.90           | 2.750    |
|                | 05/01/2026    | 871683DA3 | 390,000   | 5.000% | 2.330% | 119.663   |                   |            |            | 76,685.70           | 2.750    |
|                | 05/01/2027    | 871683DB1 | 410,000   | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 75,948.40           | 2.750    |
|                | 05/01/2028    | 871683DC9 | 430,000   | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 77,223.70           | 2.750    |
|                | 05/01/2029    | 871683DD7 | 455,000   | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 77,709.45           | 2.750    |
|                | 05/01/2030    | 871683DE5 | 465,000   | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 76,092.60           | 2.750    |
|                | 05/01/2031    | 871683DF2 | 500,000   | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 79,845.00           | 2.750    |
|                | 05/01/2032    | 871683DG0 | 515,000   | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 81,019.80           | 2.750    |
|                | 05/01/2033    | 871683DH8 | 550,000   | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 84,370.00           | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 575,000   | 3.250% | 3.350% | 98.759    |                   |            |            | -7,135.75           | 2.750    |
|                |               |           | 6,215,000 |        |        |           |                   |            |            | 880,862.75          |          |

|                        |              |             |
|------------------------|--------------|-------------|
| Dated Date             | 03/15/2018   |             |
| Delivery Date          | 03/15/2018   |             |
| First Coupon           | 11/01/2018   |             |
| Par Amount             | 6,215,000.00 |             |
| Premium                | 880,862.75   |             |
| Production             | 7,095,862.75 | 114.173174% |
| Underwriter's Discount | -36,589.77   | -0.588733%  |
| Purchase Price         | 7,059,272.98 | 113.584441% |
| Accrued Interest       |              |             |
| Net Proceeds           | 7,059,272.98 |             |

## BOND DEBT SERVICE

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal | Coupon | Interest     | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 11/01/2018    |           |        | 188,764 93   | 188,764 93   | 188,764 93          |
| 05/01/2019    |           |        | 150,343 75   | 150,343 75   |                     |
| 11/01/2019    |           |        | 150,343 75   | 150,343 75   | 300,687 50          |
| 05/01/2020    | 285,000   | 5 000% | 150,343 75   | 435,343 75   |                     |
| 11/01/2020    |           |        | 143,218 75   | 143,218 75   | 578,562 50          |
| 05/01/2021    | 295,000   | 5 000% | 143,218 75   | 438,218 75   |                     |
| 11/01/2021    |           |        | 135,843 75   | 135,843 75   | 574,062 50          |
| 05/01/2022    | 310,000   | 5 000% | 135,843 75   | 445,843 75   |                     |
| 11/01/2022    |           |        | 128,093 75   | 128,093 75   | 573,937 50          |
| 05/01/2023    | 325,000   | 5 000% | 128,093 75   | 453,093 75   |                     |
| 11/01/2023    |           |        | 119,968 75   | 119,968 75   | 573,062 50          |
| 05/01/2024    | 345,000   | 5 000% | 119,968 75   | 464,968 75   |                     |
| 11/01/2024    |           |        | 111,343 75   | 111,343 75   | 576,312 50          |
| 05/01/2025    | 365,000   | 5 000% | 111,343 75   | 476,343 75   |                     |
| 11/01/2025    |           |        | 102,218 75   | 102,218 75   | 578,562 50          |
| 05/01/2026    | 390,000   | 5 000% | 102,218 75   | 492,218 75   |                     |
| 11/01/2026    |           |        | 92,468 75    | 92,468 75    | 584,687 50          |
| 05/01/2027    | 410,000   | 5 000% | 92,468 75    | 502,468 75   |                     |
| 11/01/2027    |           |        | 82,218 75    | 82,218 75    | 584,687 50          |
| 05/01/2028    | 430,000   | 5 000% | 82,218 75    | 512,218 75   |                     |
| 11/01/2028    |           |        | 71,468 75    | 71,468 75    | 583,687 50          |
| 05/01/2029    | 455,000   | 5 000% | 71,468 75    | 526,468 75   |                     |
| 11/01/2029    |           |        | 60,093 75    | 60,093 75    | 586,562 50          |
| 05/01/2030    | 465,000   | 5.000% | 60,093 75    | 525,093 75   |                     |
| 11/01/2030    |           |        | 48,468 75    | 48,468 75    | 573,562 50          |
| 05/01/2031    | 500,000   | 5 000% | 48,468 75    | 548,468 75   |                     |
| 11/01/2031    |           |        | 35,968 75    | 35,968 75    | 584,437 50          |
| 05/01/2032    | 515,000   | 5.000% | 35,968 75    | 550,968 75   |                     |
| 11/01/2032    |           |        | 23,093 75    | 23,093 75    | 574,062 50          |
| 05/01/2033    | 550,000   | 5 000% | 23,093 75    | 573,093 75   |                     |
| 11/01/2033    |           |        | 9,343 75     | 9,343 75     | 582,437 50          |
| 05/01/2034    | 575,000   | 3 250% | 9,343 75     | 584,343 75   |                     |
| 11/01/2034    |           |        |              |              | 584,343 75          |
|               | 6,215,000 |        | 2,967,421 18 | 9,182,421 18 | 9,182,421 18        |

## NET DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|-----------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |           |        | 188,764.93   | 188,764.93            | 188,764.93  |                     |                   |
| 05/01/2019 |           |        | 150,343.75   | 150,343.75            | 150,343.75  |                     |                   |
| 11/01/2019 |           |        | 150,343.75   | 150,343.75            |   | 150,343.75          | 150,343.75        |
| 05/01/2020 | 285,000   | 5.000% | 150,343.75   | 435,343.75            |   | 435,343.75          |                   |
| 11/01/2020 |           |        | 143,218.75   | 143,218.75            |   | 143,218.75          | 578,562.50        |
| 05/01/2021 | 295,000   | 5.000% | 143,218.75   | 438,218.75            |   | 438,218.75          |                   |
| 11/01/2021 |           |        | 135,843.75   | 135,843.75            |   | 135,843.75          | 574,062.50        |
| 05/01/2022 | 310,000   | 5.000% | 135,843.75   | 445,843.75            |   | 445,843.75          |                   |
| 11/01/2022 |           |        | 128,093.75   | 128,093.75            |   | 128,093.75          | 573,937.50        |
| 05/01/2023 | 325,000   | 5.000% | 128,093.75   | 453,093.75            |   | 453,093.75          |                   |
| 11/01/2023 |           |        | 119,968.75   | 119,968.75            |   | 119,968.75          | 573,062.50        |
| 05/01/2024 | 345,000   | 5.000% | 119,968.75   | 464,968.75            |   | 464,968.75          |                   |
| 11/01/2024 |           |        | 111,343.75   | 111,343.75            |   | 111,343.75          | 576,312.50        |
| 05/01/2025 | 365,000   | 5.000% | 111,343.75   | 476,343.75            |   | 476,343.75          |                   |
| 11/01/2025 |           |        | 102,218.75   | 102,218.75            |   | 102,218.75          | 578,562.50        |
| 05/01/2026 | 390,000   | 5.000% | 102,218.75   | 492,218.75            |   | 492,218.75          |                   |
| 11/01/2026 |           |        | 92,468.75    | 92,468.75             |   | 92,468.75           | 584,687.50        |
| 05/01/2027 | 410,000   | 5.000% | 92,468.75    | 502,468.75            |   | 502,468.75          |                   |
| 11/01/2027 |           |        | 82,218.75    | 82,218.75             |   | 82,218.75           | 584,687.50        |
| 05/01/2028 | 430,000   | 5.000% | 82,218.75    | 512,218.75            |   | 512,218.75          |                   |
| 11/01/2028 |           |        | 71,468.75    | 71,468.75             |   | 71,468.75           | 583,687.50        |
| 05/01/2029 | 455,000   | 5.000% | 71,468.75    | 526,468.75            |   | 526,468.75          |                   |
| 11/01/2029 |           |        | 60,093.75    | 60,093.75             |   | 60,093.75           | 586,562.50        |
| 05/01/2030 | 465,000   | 5.000% | 60,093.75    | 525,093.75            |   | 525,093.75          |                   |
| 11/01/2030 |           |        | 48,468.75    | 48,468.75             |   | 48,468.75           | 573,562.50        |
| 05/01/2031 | 500,000   | 5.000% | 48,468.75    | 548,468.75            |   | 548,468.75          |                   |
| 11/01/2031 |           |        | 35,968.75    | 35,968.75             |   | 35,968.75           | 584,437.50        |
| 05/01/2032 | 515,000   | 5.000% | 35,968.75    | 550,968.75            |   | 550,968.75          |                   |
| 11/01/2032 |           |        | 23,093.75    | 23,093.75             |   | 23,093.75           | 574,062.50        |
| 05/01/2033 | 550,000   | 5.000% | 23,093.75    | 573,093.75            |   | 573,093.75          |                   |
| 11/01/2033 |           |        | 9,343.75     | 9,343.75              |   | 9,343.75            | 582,437.50        |
| 05/01/2034 | 575,000   | 3.250% | 9,343.75     | 584,343.75            |   | 584,343.75          |                   |
| 11/01/2034 |           |        |              |                       |   |                     | 584,343.75        |
|            | 6,215,000 |        | 2,967,421.18 | 9,182,421.18          | 339,108.68  | 8,843,312.50        | 8,843,312.50      |

## BOND SUMMARY STATISTICS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |              |
|-----------------------------------|--------------|
| Dated Date                        | 03/15/2018   |
| Delivery Date                     | 03/15/2018   |
| First Coupon                      | 11/01/2018   |
| Last Maturity                     | 05/01/2034   |
| Arbitrage Yield                   | 2.644747%    |
| True Interest Cost (TIC)          | 3.133599%    |
| Net Interest Cost (NIC)           | 3.391928%    |
| All-In TIC                        | 3.350800%    |
| Average Coupon                    | 4.740733%    |
| Average Life (years)              | 10.071       |
| Weighted Average Maturity (years) | 10.033       |
| Duration of Issue (years)         | 8.136        |
| Par Amount                        | 6,215,000.00 |
| Bond Proceeds                     | 7,095,862.75 |
| Total Interest                    | 2,967,421.18 |
| Net Interest                      | 2,123,148.20 |
| Total Debt Service                | 9,182,421.18 |
| Maximum Annual Debt Service       | 586,562.50   |
| Average Annual Debt Service       | 569,354.40   |
| Underwriter's Fees (per \$1000)   |              |
| Average Takedown                  | 2.750000     |
| Other Fee                         | 3.137332     |
| Total Underwriter's Discount      | 5.887332     |
| Bid Price                         | 113.584441   |

| Bond Component | Par Value    | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 6,215,000.00 | 114.173 | 4.741%         | 10.071       | 4,598.45          |
|                | 6,215,000.00 |         |                | 10.071       | 4,598.45          |

|                            | TIC          | All-In TIC   | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value                  | 6,215,000.00 | 6,215,000.00 | 6,215,000.00    |
| + Accrued Interest         |              |              |                 |
| + Premium (Discount)       | 880,862.75   | 880,862.75   | 880,862.75      |
| - Underwriter's Discount   | -36,589.77   | -36,589.77   |                 |
| - Cost of Issuance Expense |              | -38,529.04   |                 |
| - Other Amounts            |              | -82,846.12   |                 |
| Target Value               | 7,059,272.98 | 6,937,897.82 | 7,095,862.75    |
| Target Date                | 03/15/2018   | 03/15/2018   | 03/15/2018      |
| Yield                      | 3.133599%    | 3.350800%    | 2.644747%       |

## SOURCES AND USES OF FUNDS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 22,420,000 00        |
| Net Premium                                   | <u>3,178,289 50</u>  |
|   | 25,598,289 50        |
| Other Sources of Funds:                       |                      |
| SCSD Contribution for BAN Interest Repayment  | 21,168 88            |
| SCSD Contribution for BAN Principal Repayment | <u>173,333 33</u>    |
|   | 194,502 21           |
|   | <u>25,792,791 71</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,472,476 73         |
| Deposit to Series 2018A Project Account        | <u>21,331,894 06</u> |
|  | 23,804,370 79        |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 21,168 88            |
| BAN Principal Repayment from SCSD Contribution | 173,333 33           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,224,075 90</u>  |
|  | 1,418,578 11         |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 138,989 63           |
| Underwriter's Discount                         | 131,993 95           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 186,759 23           |
| SIDA Fee (\$5 per Bond)                        | <u>112,100 00</u>    |
|  | 569,842 81           |
|  | <u>25,792,791 71</u> |

BOND PRICING

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 1,040,000  | 5.000% | 1.500% | 107.300   |                   |            |            | 75,920.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 1,090,000  | 5.000% | 1.690% | 110.040   |                   |            |            | 109,436.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 1,150,000  | 5.000% | 1.890% | 112.291   |                   |            |            | 141,346.50          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,200,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 173,952.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,270,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 211,493.10          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,335,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 241,448.10          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,385,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 272,332.55          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,450,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 268,598.00          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,530,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 274,772.70          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,595,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 272,410.05          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,680,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 274,915.20          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,785,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 285,046.65          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,900,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 298,908.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,975,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 302,965.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 2,035,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -25,254.35          | 2.750    |
|                |               |           | 22,420,000 |        |        |           |                   |            |            | 3,178,289.50        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 22,420,000.00 |             |
| Premium                | 3,178,289.50  |             |
| Production             | 25,598,289.50 | 114.176135% |
| Underwriter's Discount | -131,993.95   | -0.588733%  |
| Purchase Price         | 25,466,295.55 | 113.587402% |
| Accrued Interest       |               |             |
| Net Proceeds           | 25,466,295.55 |             |



## BOND DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest      | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|---------------|---------------|------------------------|
| 11/01/2018       |            |        | 681,382 15    | 681,382 15    | 681,382 15             |
| 05/01/2019       |            |        | 542,693 75    | 542,693 75    |                        |
| 11/01/2019       |            |        | 542,693 75    | 542,693 75    | 1,085,387 50           |
| 05/01/2020       | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75  |                        |
| 11/01/2020       |            |        | 516,693 75    | 516,693 75    | 2,099,387 50           |
| 05/01/2021       | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75  |                        |
| 11/01/2021       |            |        | 489,443 75    | 489,443 75    | 2,096,137 50           |
| 05/01/2022       | 1,150,000  | 5 000% | 489,443 75    | 1,639,443 75  |                        |
| 11/01/2022       |            |        | 460,693 75    | 460,693 75    | 2,100,137 50           |
| 05/01/2023       | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75  |                        |
| 11/01/2023       |            |        | 430,693 75    | 430,693 75    | 2,091,387 50           |
| 05/01/2024       | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75  |                        |
| 11/01/2024       |            |        | 398,943 75    | 398,943 75    | 2,099,637 50           |
| 05/01/2025       | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75  |                        |
| 11/01/2025       |            |        | 365,568 75    | 365,568 75    | 2,099,512 50           |
| 05/01/2026       | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75  |                        |
| 11/01/2026       |            |        | 330,943 75    | 330,943 75    | 2,081,512 50           |
| 05/01/2027       | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75  |                        |
| 11/01/2027       |            |        | 294,693 75    | 294,693 75    | 2,075,637 50           |
| 05/01/2028       | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75  |                        |
| 11/01/2028       |            |        | 256,443 75    | 256,443 75    | 2,081,137 50           |
| 05/01/2029       | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75  |                        |
| 11/01/2029       |            |        | 216,568 75    | 216,568 75    | 2,068,012 50           |
| 05/01/2030       | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75  |                        |
| 11/01/2030       |            |        | 174,568 75    | 174,568 75    | 2,071,137 50           |
| 05/01/2031       | 1,785,000  | 5 000% | 174,568 75    | 1,959,568 75  |                        |
| 11/01/2031       |            |        | 129,943 75    | 129,943 75    | 2,089,512 50           |
| 05/01/2032       | 1,900,000  | 5 000% | 129,943 75    | 2,029,943 75  |                        |
| 11/01/2032       |            |        | 82,443 75     | 82,443 75     | 2,112,387 50           |
| 05/01/2033       | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75  |                        |
| 11/01/2033       |            |        | 33,068 75     | 33,068 75     | 2,090,512 50           |
| 05/01/2034       | 2,035,000  | 3 250% | 33,068 75     | 2,068,068 75  |                        |
| 11/01/2034       |            |        |               |               | 2,068,068 75           |
|                  | 22,420,000 |        | 10,670,888 40 | 33,090,888 40 | 33,090,888 40          |

## NET DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 681,382 15    | 681,382 15            | 681,382 15  |                     |                   |
| 05/01/2019 |            |        | 542,693 75    | 542,693 75            | 542,693 75  |                     |                   |
| 11/01/2019 |            |        | 542,693.75    | 542,693.75            |   | 542,693 75          | 542,693 75        |
| 05/01/2020 | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75          |   | 1,582,693 75        |                   |
| 11/01/2020 |            |        | 516,693 75    | 516,693.75            |   | 516,693 75          | 2,099,387 50      |
| 05/01/2021 | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75          |   | 1,606,693 75        |                   |
| 11/01/2021 |            |        | 489,443 75    | 489,443 75            |   | 489,443.75          | 2,096,137 50      |
| 05/01/2022 | 1,150,000  | 5 000% | 489,443 75    | 1,639,443 75          |   | 1,639,443 75        |                   |
| 11/01/2022 |            |        | 460,693 75    | 460,693 75            |   | 460,693.75          | 2,100,137 50      |
| 05/01/2023 | 1,200,000  | 5 000% | 460,693 75    | 1,660,693.75          |   | 1,660,693 75        |                   |
| 11/01/2023 |            |        | 430,693 75    | 430,693 75            |   | 430,693 75          | 2,091,387 50      |
| 05/01/2024 | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75          |   | 1,700,693 75        |                   |
| 11/01/2024 |            |        | 398,943.75    | 398,943 75            |   | 398,943 75          | 2,099,637 50      |
| 05/01/2025 | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75          |   | 1,733,943 75        |                   |
| 11/01/2025 |            |        | 365,568 75    | 365,568 75            |   | 365,568 75          | 2,099,512 50      |
| 05/01/2026 | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75          |   | 1,750,568 75        |                   |
| 11/01/2026 |            |        | 330,943 75    | 330,943 75            |   | 330,943 75          | 2,081,512 50      |
| 05/01/2027 | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75          |   | 1,780,943 75        |                   |
| 11/01/2027 |            |        | 294,693 75    | 294,693 75            |   | 294,693.75          | 2,075,637 50      |
| 05/01/2028 | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75          |   | 1,824,693 75        |                   |
| 11/01/2028 |            |        | 256,443 75    | 256,443 75            |   | 256,443 75          | 2,081,137 50      |
| 05/01/2029 | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75          |   | 1,851,443 75        |                   |
| 11/01/2029 |            |        | 216,568 75    | 216,568 75            |   | 216,568 75          | 2,068,012 50      |
| 05/01/2030 | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75          |   | 1,896,568 75        |                   |
| 11/01/2030 |            |        | 174,568 75    | 174,568 75            |   | 174,568 75          | 2,071,137 50      |
| 05/01/2031 | 1,785,000  | 5.000% | 174,568 75    | 1,959,568 75          |   | 1,959,568 75        |                   |
| 11/01/2031 |            |        | 129,943 75    | 129,943 75            |   | 129,943 75          | 2,089,512 50      |
| 05/01/2032 | 1,900,000  | 5.000% | 129,943 75    | 2,029,943.75          |   | 2,029,943 75        |                   |
| 11/01/2032 |            |        | 82,443 75     | 82,443 75             |   | 82,443 75           | 2,112,387 50      |
| 05/01/2033 | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75          |   | 2,057,443 75        |                   |
| 11/01/2033 |            |        | 33,068 75     | 33,068 75             |   | 33,068 75           | 2,090,512 50      |
| 05/01/2034 | 2,035,000  | 3 250% | 33,068 75     | 2,068,068.75          |   | 2,068,068 75        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 2,068,068 75      |
|            | 22,420,000 |        | 10,670,888 40 | 33,090,888 40         | 1,224,075 90  | 31,866,812 50       | 31,866,812 50     |

## BOND SUMMARY STATISTICS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.131195%     |
| Net Interest Cost (NIC)           | 3.390143%     |
| All-In TIC                        | 3.349123%     |
| Average Coupon                    | 4.744625%     |
| Average Life (years)              | 10.031        |
| Weighted Average Maturity (years) | 9.995         |
| Duration of Issue (years)         | 8.109         |
| Par Amount                        | 22,420,000.00 |
| Bond Proceeds                     | 25,598,289.50 |
| Total Interest                    | 10,670,888.40 |
| Net Interest                      | 7,624,592.85  |
| Total Debt Service                | 33,090,888.40 |
| Maximum Annual Debt Service       | 2,112,387.50  |
| Average Annual Debt Service       | 2,051,794.66  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.587402    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 22,420,000.00 | 114.176 | 4.745%         | 10.031       | 16,525.40         |
|                | 22,420,000.00 |         |                | 10.031       | 16,525.40         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 22,420,000.00 | 22,420,000.00 | 22,420,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 3,178,289.50  | 3,178,289.50  | 3,178,289.50    |
| - Underwriter's Discount   | -131,993.95   | -131,993.95   |                 |
| - Cost of Issuance Expense |               | -138,989.63   |                 |
| - Other Amounts            |               | -298,859.23   |                 |
| Target Value               | 25,466,295.55 | 25,028,446.69 | 25,598,289.50   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.131195%     | 3.349123%     | 2.644747%       |



**THOMAS P. DiNAPOLI**  
COMPTROLLER

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**  
110 STATE STREET  
ALBANY, NEW YORK 12236

**GABRIEL F. DEYO**  
DEPUTY COMPTROLLER  
DIVISION OF LOCAL GOVERNMENT  
AND SCHOOL ACCOUNTABILITY  
Tel: (518) 474-4037 Fax: (518) 486-6479

January 12, 2018

Honorable Ben Walsh  
Chair, Syracuse Joint Schools Construction Board  
233 East Washington Street  
203 City Hall  
Syracuse, NY 13202

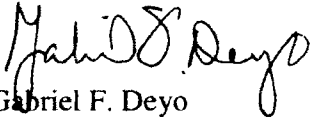
Dear Mayor Walsh,

In accordance with Section 6(2)(a) of Part A-4 of Chapter 58 of the Laws of 2006, as amended (Law), we have completed our review of, and hereby approve the Financial Plan for Phase II of the Syracuse Joint Schools Construction Board (SJSCB) Program. This approval is based upon the assumptions, terms and conditions of the Financial Plan adopted by the SJSCB on January 29, 2015, as further revised and presented to the Office of the State Comptroller (OSC) on August 10, 2017, with additional information subsequently submitted on behalf of the SJSCB. These assumptions include: a) each series of bonds will be issued within 90 days of the dates specified in the revised Financial Plan and b) the SJSCB will adhere to all New York State Education Department requirements such that State Building Aid reimbursement will be timely and at anticipated levels. Please note that any material change in the Financial Plan or the additional information submitted in connection with the Plan as presented to OSC, will require further review and approval by this Office.

As provided in the Law, our approval is limited to the components of the Plan for Phase II specifically set forth in section 6(2)(a). We express no opinion and grant no approval as to any other aspect of Phase II. Further, we express no opinion on the legality or validity of any bonds proposed to be issued for this project, or on any other matter.

Please contact us if we can be of further assistance.

Sincerely,

  
Gabriel F. Deyo  
Deputy Comptroller

cc: Suzanne Slack, Chief Financial Officer  
Syracuse City School District  
Jaime Alicea, Superintendent of Schools  
Syracuse City School District

**CERTIFICATE OF DETERMINATION  
BY THE SYRACUSE CITY SCHOOL DISTRICT CHIEF FINANCIAL OFFICER  
AS TO FINANCING COST AND INTEREST RATE**

I, Suzanne Slack, Chief Financial Officer for the Syracuse City School District, Syracuse, New York (hereinafter called the "District"), **HEREBY CERTIFY** that, pursuant to the powers and duties delegated to me, as the Chief Fiscal Officer of the District and in accordance with Chapter 58 Pt. A-4 of the 2006 Laws of the State of New York, as amended (the "Syracuse Schools Act") and subject to the limitations prescribed therein, I have made the following determinations:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act to compare financing through the Syracuse Industrial Development Agency ("SIDA") with financing available through the State of New York Municipal Bond Bank Agency ("MBBA"), I have caused such a comparison to be made as to the interest rate for the financing of the Syracuse Schools Reconstruction Project through the issuance by SIDA of its \$66,570,000 aggregate principal amount of School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A ("Series 2018A Bonds") against the interest rate that would have been applicable to a like purpose, bond structure, method of sale, security and amount of bond issuance by the MBBA.

2. Based on such comparison, I have determined that the financing mechanism utilized by SIDA in the issuance of the Series 2018A Bonds for the Syracuse Schools Reconstruction Project results in the lowest cost to the state and city taxpayers.

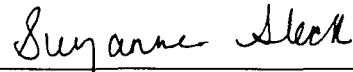
3. The relevant information, as referenced above, in our possession was transmitted to a duly authorized officer of the MBBA.

4. The cost information and other financial information contained in Exhibit "A" (Certificate of Public Resources Advisory Group) annexed hereto with attached Schedules is sufficient to conclude that the interest rate related to the issuance of the Series 2018A Bonds through the SIDA would not be greater than the interest rate applicable had the Series 2018A Bonds been issued by the MBBA.

5. I attach hereto as Exhibit "B" a form of the Certificate of the Chief Operating Officer of the MBBA, stating that such Chief Operating Officer received all requested and required information from the City School District of the City of Syracuse, the City, SIDA and the Joint Schools Construction Board of the City of Syracuse and determined that the interest rate on March 1, 2018 that would have been applicable to a like purpose, bond structure, method of sale, security and amount of bond issuance by the MBBA would be approximately 3.13% on a true interest cost basis.

6. The Record of the Proceedings in this matter, with sufficient information to make the necessary determinations required by the Syracuse Schools Act, is annexed hereto collectively in Exhibits "A" and "B" as fully described above in the preceding paragraphs.

**IN WITNESS WHEREOF**, I have hereunto set my signature and the official seal of the City this 2nd day of March, 2018.



---

Suzanne Slack  
Chief Financial Officer

(SEAL)

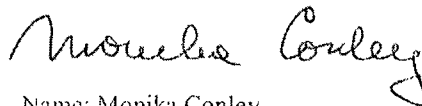
[Signature Page to Certificate of Determination - Chief Financial Officer]

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc. (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

**Exhibit A**

**\$67,265,000**

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%



**CERTIFICATE OF DETERMINATION OF THE CHIEF OPERATING OFFICER OF  
THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY**

I, Elizabeth Mallow, Chief Operating Officer of the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY DETERMINE, pursuant to the powers and duties delegated to me and in accordance with the applicable provisions set forth in Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, as follows:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act, as of February 23, 2018, I have received all the information required by the MBBA under the Syracuse Schools Act from the City of Syracuse (the "City"), the City School District of the City of Syracuse (the "School District"), the Syracuse Industrial Development Agency (the "SIDA") and the Joint Schools Construction Board of the City of Syracuse (the "JSCB"); and have accordingly determined that the interest rate on March 1, 2018 that would have been applicable to a bond issue sold by the MBBA of similar purpose, structure, method of sale, security and amount to the SIDA's School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A would be 3.13% on a true interest cost basis, and am so certifying to the Commissioner of the New York State Department of Education.

2. In making these financial determinations, I am relying upon the Certificate made by an authorized officer of Public Resources Advisory Group, financial advisor to the MBBA, appended hereto as **Exhibit A**.

3. A copy of the information received from the School District, the City, the SIDA and the JSCB in compliance with the Syracuse Schools Act is collectively annexed hereto as **Exhibit B**.

[Signature Page to Certificate of Determination - Chief Operating Officer]

IN WITNESS WHEREOF, I have hereunto set my signature this 2nd day of March,  
2018.

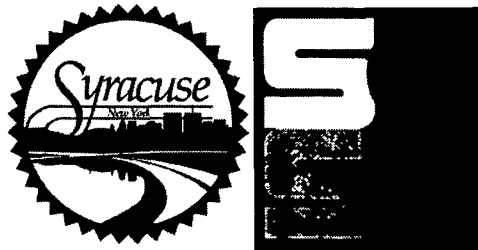
A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

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Elizabeth Mallow  
Chief Operating Officer  
State of New York Municipal Bond Bank Agency

**EXHIBIT "A"**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**



**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**PRE-PRICING INFORMATION**

**PRICING: MARCH 1, 2018**

**CLOSING: MARCH 15, 2018**

**RAYMOND JAMES**

## TABLE OF CONTENTS

- 1. Transaction Overview**
  - a. General Transaction Details
- 2. Marketing Overview**
  - a. Economic Calendar
  - b. Market Information
  - c. Comparable Transactions
  - d. Bond Holder Comparison
  - e. Orders of the City of Syracuse IDA, Series 2017 Issue
  - f. Pricing Workbook
  - g. Syndicate Price Views
  - h. Pre-Marketing Wire
- 3. Transaction Documents**
  - a. POS Cover
  - b. Rating Reports
  - c. Working Group Distribution List

## Transaction Overview

### General Transaction Details

|   |  |
|---|--|
| <b>Par Amount:</b>                        | \$66,855,000*  |
| <b>Issuer:</b>                            | City of Syracuse Industrial Development Agency   |
| <b>Borrower:</b>                          | Syracuse Joint School Construction Board (“JSCB”)  |
| <b>Purpose of 2018A Bonds</b>             | The proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the cost of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City of Syracuse \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. |
| <b>Tax Status:</b>                        | Federally and State Tax-Exempt   |
| <b>Pricing:</b>                           | March 1, 2018  |
| <b>Written Award:</b>                     | March 2, 2018  |
| <b>Closing:</b>                           | March 15, 2018   |
| <b>Rating:</b>                            | Aa2/AA/AA (Moody’s, Standard & Poor’s, and Fitch)  |
| <b>Bond Counsel:</b>                      | Barclay Damon LLP  |
| <b>JSCB Counsel:</b>                      | Trespasz & Marquart, LLP   |
| <b>SCSD &amp; City Financial Advisor:</b> | Capital Markets Advisors, LLP  |
| <b>Trustee:</b>                           | M&T Bank   |
| <b>Underwriters Counsel:</b>              | Harris Beach, PLLC   |
| <b>Senior Manager:</b>                    | Raymond James & Associates, Inc.   |
| <b>Co-Managers:</b>                       | FTN Financial Capital Markets<br>Loop Capital Markets<br>Ramirez & Co., Inc.   |

\*Subject to change

# Marketing Overview

## Economic Releases & Forward Calendar

| Week of February 26, 2018  |  |   |  |  |
|--|--|---|--|--|
| Monday   | Tuesday  | Wednesday   | Thursday   | Friday   |
| 26   | 27   | 28  | 1  | 2  |
| <ul style="list-style-type: none"> <li>10:00am – New Home sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Durable Good Orders (Jan)</li> <li>8:30am – Adv. Econ Indicators (Jan)</li> <li>10:00am – CB Cons. Confidence (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Real GDP (4Q17, 2<sup>nd</sup> est.)</li> <li>10:00am - Pending Home Sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Jobless Claims</li> <li>8:30am – Personal Income</li> <li>9:45am – Markit US Manf. (Feb, final)</li> <li>10:00am – ISM Manf. Survey (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Employment Report (Mar)</li> <li>10:00am – UM Cons. Sent. (Feb)</li> </ul> |

## Forward Calendar

| Sale Date  | Issuer  | State | Par (\$MM) | Underwriter         |
|------------|---|-------|------------|---------------------|
| 02/27/2018 | Kenowa Hills Public Schools                       | MI    | 36.090     | Raymond James       |
| 02/27/2018 | Tennessee Housing Development Agency              | TN    | 99.900     | Raymond James       |
| 02/28/2018 | Maricopa County                                   | AZ    | 106.665    | J.P. Morgan         |
| 03/01/2018 | NYS Thruway Authority                             | NY    | 600.000    | RBC Capital Markets |
| 03/01/2018 | City of Houston – Airport System                  | TX    | 417.000    | Bank of America     |
| 03/01/2018 | State of Connecticut Health and Edu Fac Authority | CT    | 66.285     | Goldman Sachs       |
| 03/01/2018 | Salinas City Elementary School                    | CA    | 20.000     | Piper Jaffray       |

# Market Information

## Key Interest Rates and Prices

|  | This Week<br>2/23/2018 | Last Week<br>2/16/2018 | Last Month<br>1/26/2018 | Last Year<br>2/24/2017 |
|--|------------------------|------------------------|-------------------------|------------------------|
| Federal Funds Rate                             | 1.50                   | 1.50                   | 1.50                    | 0.75                   |
| Prime Rate                                     | 4.50                   | 4.50                   | 4.50                    | 3.75                   |
| Treasury - 2 yr                                | 2.23                   | 2.19                   | 2.12                    | 1.14                   |
| Treasury - 10 yr                               | 2.84                   | 2.87                   | 2.66                    | 2.31                   |
| LIBOR (1 month)                                | 1.57                   | 1.57                   | 1.57                    | 0.78                   |
| LIBOR (3 month)                                | 1.74                   | 1.74                   | 1.74                    | 1.05                   |
| SIFMA  | 1.09                   | 1.00                   | 1.16                    | 0.64                   |
| SIFMA/1 M LIBOR %                              | 69.6                   | 63.8                   | 74.0                    | 82.0                   |
| B.B. 20 Bond Index <sup>1</sup>                | 3.86                   | 3.84                   | 3.59                    | 3.92                   |
| B.B. Rev. Index <sup>2</sup>                   | 4.35                   | 4.33                   | 4.08                    | 4.08                   |
| 30-Day Visible Supply <sup>3</sup>             | 8.3 B                  | 7.0 B                  | 7.1 B                   | 9.9 B                  |
| 10-Year AAA MMD <sup>4</sup>                   | 2.45                   | 2.46                   | 2.23                    | 2.28                   |
| 10-Year AAA MMD Ratio to Treasury <sup>4</sup> | 86.3                   | 85.6                   | 83.8                    | 98.6                   |
| 30-Year Treasury                               | 3.13                   | 3.13                   | 2.91                    | 2.95                   |
| 30-Year AAA MMD <sup>4</sup>                   | 3.03                   | 3.02                   | 2.81                    | 3.04                   |

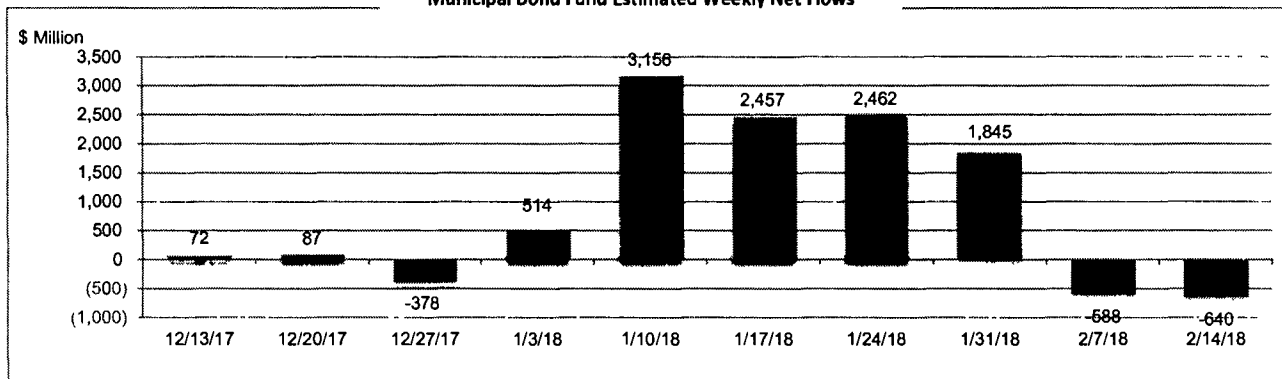
<sup>1</sup> Represents an estimation of the yield on a portfolio of 20 general obligation bonds that matures in 20 years with a composite AA rating.

<sup>2</sup> Represents an estimation of the yield that would be offered on 30-yr revenue bonds. The index is comprised of 25 issuers that cover a broad range of type of issues and vary in ratings.

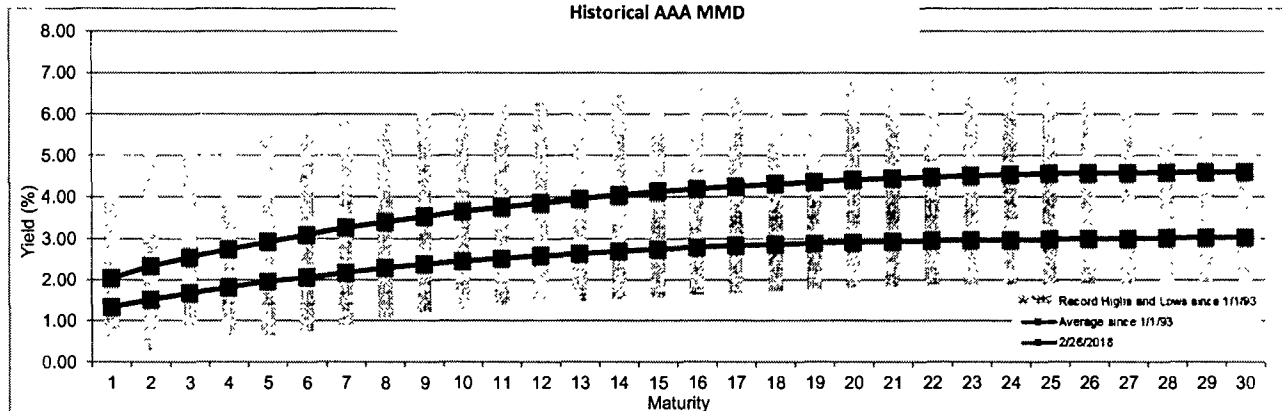
<sup>3</sup> The total dollar volume of municipal securities expected to be offered over the next 30 days.

<sup>4</sup> Represents the benchmark yield for high grade municipal issues, based on a natural "AAA" rated general obligation bond issue. "AAA" MMD is the benchmark for pricing of all tax-exempt municipal issues

### Municipal Bond Fund Estimated Weekly Net Flows



### Historical AAA MMD





## **Municipal Commentary**

### **Weekly Muni Market Commentary by Jock Wright – Raymond James (2/26/2018)**

Volatility continued last week in the fixed income markets, after hitting a 4 year yield high of a 2.95% on Wednesday on the UST Ten year, the market rallied at weeks end as buyers came in to support the market and the ten year ended the week at a 2.86%. Equities continued to recover and some sense of stability returned to other markets. FOMC minutes released last week still point to a hawkish FED that is closely monitoring inflation, but expected to tighten 3 times this year. This week will feature New Fed Chairman Jerome Powell's monetary policy testimony. Market participants will be closely analyzing his comments for signs of future rate increases. It is expected that he will present the markets with a calming influence regarding the FED's stance of future monetary policy. Other important economic releases this week will be Durable Goods Orders, Consumer Confidence and PCE release later in the week.

Economic Releases and Events This Week:

- Monday: Chicago FED, New Home Sales
- Tuesday: Powell Monetary Policy(House), Durable Goods Orders, Advance Economic Indicators, Consumer Confidence
- Wednesday: Real GDP(2nd Estimate), Chicago Business Barometer, Pending Home Sales
- Thursday: Jobless Claims, Personal Income and Spending, PCE Price Index, Powell Monetary Policy Testimony(Senate), ISM Mfg. Index, Motor Vehicle Sales
- Friday: UM Consumer Sentiment

Mutual funds and retail investors saw better flows last week and deals that were in the market saw mixed results, but the overall tone could be described as slightly "firmer". Dealer inventories and bid sell lists continue to hamper our market's ability to rally. This week's lighter calendar should be met with decent demand in the primary. For the week MMD was lower in yield by (1) bps in five years, by (1) bps in ten years and higher by +1 bps in thirty years.

This week's primary muni supply breakdown of the \$5bln calendar is: \$3.4bln being negotiated and \$1.6bln via competitive offerings.

U.S. municipal bond funds reported \$347.4 million of net inflows in the week ended February 21st, compared with \$443.4mln of outflows in the previous week, according to data released by Lipper on Thursday. The four-week moving average remained positive at \$203.7mln. High-yield muni bond funds reported outflows of \$5.1 million, compared with inflows of \$20.1 million in the previous week. Source: Reuters/Lipper

### **Fixed Income Market Commentary by Kevin Giddis – Raymond James (2/27/2018)**

The Treasury market is trading lower this morning as Fed Chair Jay Powell's Congressional Testimony was released. He goes before the House Financial Services Committee in about an hour or so, but there were several tasty tidbits in this release that have caused the market to react. Not in any order, but he was quoted as saying that the Fed sees "further gradual rate hikes," and that "some of the headwinds facing the U.S. economy are now the tailwinds." He also stated that "the FOMC sees risks as roughly balanced," and "the U.S. economic outlook is strong." Yada, yada, yada! The next market event will occur when he begins to answer the questions from Congress. The takeaway from this is that Jay Powell doesn't seem too worried about the Fed "missing it" when it comes to its monetary policy or its tightening strategy. He also doesn't appear to be the type of Fed Chair to elaborate too much either. He reminds me of the Joe Friday, "just the facts ma'am," sort of guy. This uncertainty is likely to be exposed over the next two days, and the market will adjust, just like it has for all of the other Fed Chairs in the past. It does appear to be a lock that the FOMC will raise rates next month. It also seems like they believe that they will raise rates three times in 2018. Bonds have settled down and the yield curve (2's to 10's) is roughly where it started at 64 basis points. The equity market seems to be ok with it as well. As much a Goldilocks 4 page release as one could possibly expect. The key will be when the other shoe drops, will it be consistent with what we have seen, or will Fed Chair Powell go off script and say something that the markets weren't expecting. On the economic front, Durable Goods Orders for January fell 3.7% after rising 2.6% in December. Orders less the volatile transportation component rose 0.7%. So with little left to say, I would think that Jay Powell will do his best to keep the markets calm, help the dollar, and offer a glimpse of how the next couple of years will look in his eyes as the Chairman of the Federal Reserve. While there are plenty of signs that the economy is still growing, we may have to wait a couple more days to gauge the second round of inflation data. Thursday's release of the PCE Core will be closely watched and along with Powell's testimony, could be a market mover.

### Comparable Tax-Exempt Transactions

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | The City of New York                                 |
| <b>Description:</b>  | General Obligation Bonds, Fiscal 2018, Subseries E-1 |
| <b>Par:</b>          | \$700,000,000  |
| <b>Pricing Date:</b> | 2/22/2018  |
| <b>Ratings:</b>      | Aa2/AA/AA  |
| <b>Call Date:</b>    | 3/1/2028   |
| <b>Underwriter:</b>  | Jefferies  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Mar 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | 1.53%          | +0.05         | 1.58%        | 5.000%        |
| 2021            | 1.68%          | +0.07         | 1.75%        | 5.000%        |
| 2022            | 1.82%          | +0.08         | 1.90%        | 5.000%        |
| 2023            | -              | -             | -            | -             |
| 2024            | -              | -             | -            | -             |
| 2025            | -              | -             | -            | -             |
| 2026            | 2.32%          | +0.22         | 2.54%        | 5.000%        |
| 2027            | 2.41%          | +0.22         | 2.63%        | 5.000%        |
| 2028            | -              | -             | -            | -             |
| 2029            | -              | -             | -            | -             |
| 2030            | -              | -             | -            | -             |
| 2031            | 2.67%          | +0.30         | 2.97%        | 5.000%        |
| 2032            | 2.72%          | +0.30         | 3.02%        | 5.000%        |
| 2033            | 2.77%          | +0.58         | 3.35%        | 3.250%        |
| 2034            | 2.81%          | +0.22         | 3.03%        | 5.250%        |
| 2035            | 2.85%          | +0.23         | 3.08%        | 5.250%        |
| 2036            | 2.88%          | +0.64         | 3.52%        | 4.000%        |
| 2037            | 2.91%          | +0.35         | 3.26%        | 5.000%        |
| 2038            | 2.93%          | +0.35         | 3.28%        | 5.000%        |
| 2039            | 2.95%          | +0.35         | 3.30%        | 5.000%        |
| 2040            | 2.97%          | +0.35         | 3.32%        | 5.000%        |
| 2041            | 2.98%          | +0.35         | 3.33%        | 5.000%        |
| 2042            | 2.99%          | +0.68         | 3.67%        | 4.000%        |
| 2043            | -              | -             | -            | -             |
| 2044            | 3.01%          | +0.35         | 3.36%        | 5.000%        |
| 2045            | 3.02%          | +0.68         | 3.70%        | 3.625%        |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

|                      |  |
|----------------------|--|
| <b>Issuer:</b>       | Monroe County Industrial Development Corporation       |
| <b>Description:</b>  | Revenue Bonds, Series 2017CD (University of Rochester) |
| <b>Par:</b>          | \$134,280,000  |
| <b>Pricing Date:</b> | 12/4/2017  |
| <b>Ratings:</b>      | Aa3/AA-/AA-  |
| <b>Call Date:</b>    | 7/1/2027   |
| <b>Underwriter:</b>  | J.P. Morgan  |
| <b>Insured</b>       | No   |

| <b>Maturity</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-----------------|----------------|---------------|--------------|---------------|
| <b>(Jul 1)</b>  |                |               |              |               |
| 2019            | -              | -             | -            | -             |
| 2020            | -              | -             | -            | -             |
| 2021            | -              | -             | -            | -             |
| 2022            | -              | -             | -            | -             |
| 2023            | 1.76%          | +0.15         | 1.91%        | 5.000%        |
| 2024            | 1.82%          | +0.20         | 2.02%        | 5.000%        |
| 2025            | 1.88%          | +0.16         | 2.04%        | 5.000%        |
| 2026            | 1.95%          | +0.18         | 2.13%        | 5.000%        |
| 2027            | 2.03%          | +0.18         | 2.21%        | 5.000%        |
| 2028            | 2.10%          | +0.20         | 2.30%        | 5.000%        |
| 2029            | 2.17%          | +0.22         | 2.39%        | 5.000%        |
| 2030            | 2.23%          | +0.24         | 2.47%        | 5.000%        |
| 2031            | 2.29%          | +0.23         | 2.52%        | 5.000%        |
| 2032            | 2.34%          | +0.55         | 2.89%        | 4.000%        |
| 2033            | 2.39%          | +0.55         | 2.94%        | 4.000%        |
| 2034            | 2.44%          | +0.55         | 2.99%        | 4.000%        |
| 2035            | 2.49%          | +0.52         | 3.01%        | 4.000%        |
| 2036            | 2.52%          | +0.52         | 3.04%        | 4.000%        |
| 2037            | 2.55%          | +0.52         | 3.07%        | 4.000%        |
| 2038            | -              | -             | -            | -             |
| 2039            | -              | -             | -            | -             |
| 2040            | -              | -             | -            | -             |
| 2041            | -              | -             | -            | -             |
| 2042            | -              | -             | -            | -             |
| 2043            | 2.62%          | +0.59         | 3.21%        | 4.000%        |
| 2044            | -              | -             | -            | -             |
| 2045            | -              | -             | -            | -             |
| 2046            | -              | -             | -            | -             |
| 2047            | -              | -             | -            | -             |
| 2048            | -              | -             | -            | -             |

### Comparable Tax-Exempt Transactions

**Issuer:** County of Monroe Industrial Development Agency  
**Description:** School Facility Revenue Bonds, Series 2017  
**Par:** \$123,670,000  
**Pricing Date:** 7/18/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Citigroup  
**Insured:** No

| Maturity (May 1) | AAA MMD | Spread | Yield | Coupon |
|------------------|---------|--------|-------|--------|
| 2019             | 0.98%   | -0.02  | 0.96% | 5.000% |
| 2020             | 1.07%   | +0.03  | 1.10% | 5.000% |
| 2021             | 1.16%   | +0.06  | 1.22% | 5.000% |
| 2022             | 1.25%   | +0.06  | 1.31% | 5.000% |
| 2023             | 1.38%   | +0.07  | 1.45% | 5.000% |
| 2024             | 1.49%   | +0.12  | 1.61% | 5.000% |
| 2025             | 1.63%   | +0.14  | 1.77% | 5.000% |
| 2026             | 1.77%   | +0.20  | 1.97% | 5.000% |
| 2027             | 1.92%   | +0.19  | 2.11% | 5.000% |
| 2028             | 2.03%   | +0.24  | 2.27% | 5.000% |
| 2029             | 2.13%   | +0.26  | 2.39% | 5.000% |
| 2030             | 2.24%   | +0.24  | 2.48% | 5.000% |
| 2031             | 2.32%   | +0.24  | 2.56% | 5.000% |
| 2032             | 2.39%   | +0.24  | 2.63% | 5.000% |
| 2033             | 2.45%   | +0.24  | 2.69% | 5.000% |
| 2034             | -       | -      | -     | -      |
| 2035             | -       | -      | -     | -      |
| 2036             | -       | -      | -     | -      |
| 2037             | -       | -      | -     | -      |
| 2038             | -       | -      | -     | -      |
| 2039             | -       | -      | -     | -      |
| 2040             | -       | -      | -     | -      |
| 2041             | -       | -      | -     | -      |
| 2042             | -       | -      | -     | -      |
| 2043             | -       | -      | -     | -      |
| 2044             | -       | -      | -     | -      |
| 2045             | -       | -      | -     | -      |
| 2046             | -       | -      | -     | -      |
| 2047             | -       | -      | -     | -      |
| 2048             | -       | -      | -     | -      |

**Issuer:** City of Syracuse Industrial Development Agency  
**Description:** School Facility Revenue Refunding Bonds, Series 2017  
**Par:** \$29,260,000  
**Pricing Date:** 4/5/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Raymond James  
**Insured:** No

| Maturity (May 1) | AAA MMD | Spread | Yield | Coupon |
|------------------|---------|--------|-------|--------|
| 2019             | 1.03%   | +0.03  | 1.06% | 4.000% |
| 2020             | 1.20%   | +0.09  | 1.29% | 4.000% |
| 2021             | 1.35%   | +0.10  | 1.45% | 4.000% |
| 2022             | 1.55%   | +0.07  | 1.62% | 5.000% |
| 2023             | 1.71%   | +0.10  | 1.81% | 5.000% |
| 2024             | 1.86%   | +0.10  | 1.96% | 5.000% |
| 2025             | 2.00%   | +0.16  | 2.16% | 5.000% |
| 2026             | 2.12%   | +0.15  | 2.27% | 5.000% |
| 2027             | 2.21%   | +0.17  | 2.38% | 5.000% |
| 2028             | 2.30%   | +0.30  | 2.60% | 4.000% |
| 2029             | 2.40%   | +0.35  | 2.75% | 4.000% |
| 2030             | 2.50%   | +0.50  | 3.00% | 3.000% |
| 2031             | -       | -      | -     | -      |
| 2032             | -       | -      | -     | -      |
| 2033             | -       | -      | -     | -      |
| 2034             | -       | -      | -     | -      |
| 2035             | -       | -      | -     | -      |
| 2036             | -       | -      | -     | -      |
| 2037             | -       | -      | -     | -      |
| 2038             | -       | -      | -     | -      |
| 2039             | -       | -      | -     | -      |
| 2040             | -       | -      | -     | -      |
| 2041             | -       | -      | -     | -      |
| 2042             | -       | -      | -     | -      |
| 2043             | -       | -      | -     | -      |
| 2044             | -       | -      | -     | -      |
| 2045             | -       | -      | -     | -      |
| 2046             | -       | -      | -     | -      |
| 2047             | -       | -      | -     | -      |
| 2048             | -       | -      | -     | -      |

## Bond Holder Comparison

### Holders of JSCB Bonds

| Holders of Erie IDA (Buffalo JSCB)          |            | Holders of Monroe IDA (Rochester JSCB)         |            | Holders of Syracuse IDA (Syracuse JSCB)      |            |
|---|------------|--|------------|--|------------|
| Firm Name                                   | Par Amount | Firm Name                                      | Par Amount | Firm Name                                    | Par Amount |
| Franklin Templeton Investments              | 67,040     | The Vanguard Group, Inc                        | 29,700     | American Money Management Corporation        | 3,500      |
| The Vanguard Group, Inc                     | 44,480     | Franklin Templeton Investments                 | 15,820     | Selective Insurance Group, Inc               | 3,040      |
| Lord, Abbett & Co LLC                       | 25,735     | American Money Management Corporation          | 14,000     | Savings Bank Life Insurance Company          | 3,000      |
| Capital Research & Management Co            | 22,340     | TIAA Global Asset Management                   | 12,000     | Columbian Mutual Life Insurance Company      | 2,990      |
| Loews Corporation (Investments)             | 20,180     | OppenheimerFunds Inc (Rochester)               | 11,520     | Foresters Investment Management Company      | 2,600      |
| Putnam Investment Management LLC            | 16,500     | Nuveen Asset Management LLC                    | 7,875      | Thornburg Investment Management Inc          | 2,150      |
| Nuveen Asset Management LLC                 | 16,200     | Fidelity Management & Research Company         | 7,705      | Loomis, Sayles & Company LP (San Francisco)  | 1,738      |
| Thornburg Investment Management Inc         | 14,000     | J.P. Morgan Investment Management              | 5,753      | Standish Mellon Asset Management Company LLC | 1,738      |
| OppenheimerFunds Inc (Rochester)            | 10,625     | BlackRock Investment Management LLC            | 5,280      | Putnam Investment Management LLC             | 1,000      |
| Goldman Sachs Asset Management (US)         | 9,000      | Farm Bureau Life Insurance Company             | 5,115      | Federated Investment Management Company      | 900        |
| BlackRock Investment Management LLC         | 8,990      | New York Life Investment Management LLC        | 4,600      | Mutual Beneficial Association Inc            | 250        |
| Federated Investment Management Company     | 8,100      | Goldman Sachs Asset Management (US)            | 4,000      | Wilmington Trust Investment Advisors Inc     | 100        |
| AllianceBernstein LP                        | 5,800      | Western Asset Management Co                    | 4,000      | The Order of the Sons of Herman              | 40         |
| Kentucky Farm Bureau                        | 5,000      | Columbian Mutual Life Insurance Company        | 3,750      |  |            |
| Bessemer Trust Company, N.A.                | 5,000      | PIMCO (US)                                     | 3,700      |  |            |
| Columbia Management Investment Advisers LLC | 4,940      | MFS Investment Management                      | 2,000      |  |            |
| T Rowe Price Associates Inc                 | 4,500      | MacKay Shields LLC                             | 1,950      |  |            |
| Standish Mellon Asset Management Company    | 3,478      | Guggenheim Partners Asset Management           | 1,950      |  |            |
| Deutsche Asset Management Americas          | 3,000      | New York Life Investment Management LLC        | 1,950      |  |            |
| Donegal Mutual Insurance Company            | 3,000      | Standish Mellon Asset Management Company       | 1,690      |  |            |
| American Money Management Corporation       | 3,000      | United Farm Family Life Insurance Company      | 1,000      |  |            |
| Neuberger Berman, LLC                       | 2,330      | Capital Research & Management Co               | 1,000      |  |            |
| USAA Investment Management Company          | 2,250      | New York Central Mutual Fire Insurance Company | 1,000      |  |            |
| Wilmington Trust Investment Management      | 2,000      | JP Morgan Asset Management                     | 743        |  |            |
| Loomis, Sayles & Company LP (San Francisco) | 1,978      | Van Eck Associates Corporation                 | 255        |  |            |

Source: Emaxx (Represents investors who reported holdings to Emaxx. Not all holders may be listed.)

Blue indicates holders who do not hold Syracuse IDA

**Orders of the City of Syracuse IDA - School Facility Revenue Refunding Bonds, Series 2017 Issue**

| <b>Account</b>                      | <b>Retail</b>   | <b>Institutional</b> | <b>Total</b>      |
|-------------------------------------|-----------------|----------------------|-------------------|
| Bessemer Trust Company N.A.         | -               | \$ 8,860             | \$ 8,860          |
| Blackrock Financial Management Sma  | -               | 6,815                | 6,815             |
| Boston Company                      | -               | 9,620                | 9,620             |
| Boyd Watterson Asset Management     | -               | 950                  | 950               |
| Carret Asset Management Llc         | -               | 50                   | 50                |
| Chilton Financial                   | -               | 7,510                | 7,510             |
| Cmap                                | -               | 11,695               | 11,695            |
| Columbia Management Advisors        | -               | 3,105                | 3,105             |
| Evercore Wealth Managment Llc       | -               | 6,135                | 6,135             |
| Fiduciary Trust Company             | -               | 1,175                | 1,175             |
| First Republic Bank                 | -               | 6,555                | 6,555             |
| Goldman Sachs Asset Management      | -               | 13,955               | 13,955            |
| Individuals                         | \$ 2,100        | -                    | 2,100             |
| Jp Morgan Asset Management          | -               | 13,815               | 13,815            |
| Lord Abbett                         | -               | 15,740               | 15,740            |
| Neuberger Berman (Broker To Broker) | -               | 7,630                | 7,630             |
| Neuberger Berman Mgmt Inc           | -               | 22,015               | 22,015            |
| Northern Trust                      | -               | 850                  | 850               |
| Nuveen Asset Management             | -               | 6,285                | 6,285             |
| Oppenheimer Asset Management Inc.   | -               | 1,000                | 1,000             |
| Samson Capital Advisors             | -               | 19,655               | 19,655            |
| Spring Lake Asset Management        | -               | 2,880                | 2,880             |
| Stock                               | -               | -                    | 1,040             |
| Tiaa-Cref Investment Management     | -               | 5,000                | 5,000             |
| Us Trust Corporation                | -               | 2,900                | 2,900             |
| Wall Street Access                  | -               | 1,000                | 1,000             |
| Wells Capital                       | -               | 1,000                | 1,000             |
| Western Asset Management Funds      | -               | 3,365                | 3,365             |
| William Jones & Associates          | -               | 2,000                | 2,000             |
| Wilmington Trust Corp               | -               | 9,625                | 9,625             |
| <b>Total</b>                        | <b>\$ 2,100</b> | <b>\$ 191,185</b>    | <b>\$ 194,325</b> |

**Pricing Worksheet**

**Pre-Pricing Scale (2/28/18) - PM**

| <b>(Syracuse City School District Project) Series 2018A</b> |               |                  |                 |                  |
|---|---------------|------------------|-----------------|------------------|
| <b>May 1</b>  | <b>May</b>    | <b>Spread to</b> | <b>Yield(%)</b> | <b>Coupon(%)</b> |
| <b>MMD(%)</b>   | <b>MMD(%)</b> | <b>MMD(%)</b>    |                 |                  |
| 2020  | 1.54          | .05              | 1.59            | 5.000            |
| 2021  | 1.69          | .06              | 1.75            | 5.000            |
| 2022  | 1.84          | .08              | 1.92            | 5.000            |
| 2023  | 1.99          | .09              | 2.08            | 5.000            |
| 2024  | 2.10          | .10              | 2.20            | 5.000            |
| 2025  | 2.22          | .12              | 2.34            | 5.000            |
| 2026  | 2.34          | .13              | 2.47            | 5.000            |
| 2027  | 2.43          | .15              | 2.58            | 5.000            |
| 2028  | 2.50          | .16              | 2.66            | 5.000            |
| 2029  | 2.57          | .17              | 2.74            | 5.000            |
| 2030  | 2.63          | .18              | 2.81            | 5.000            |
| 2031  | 2.68          | .18              | 2.86            | 5.000            |
| 2032  | 2.72          | .18              | 2.90            | 5.000            |
| 2033  | 2.77          | .18              | 2.95            | 5.000            |
| 2034  | 2.82          | .53              | 3.35            | 3.250            |

**Pricing Scale (3/1/18) - AM**

| <b>(Syracuse City School District Project) Series 2018A</b> |               |                  |                 |                  |
|---|---------------|------------------|-----------------|------------------|
| <b>May 1</b>  | <b>May</b>    | <b>Spread to</b> | <b>Yield(%)</b> | <b>Coupon(%)</b> |
| <b>MMD(%)</b>   | <b>MMD(%)</b> | <b>MMD(%)</b>    |                 |                  |
| 2020  |               |                  |                 |                  |
| 2021  |               |                  |                 |                  |
| 2022  |               |                  |                 |                  |
| 2023  |               |                  |                 |                  |
| 2024  |               |                  |                 |                  |
| 2025  |               |                  |                 |                  |
| 2026  |               |                  |                 |                  |
| 2027  |               |                  |                 |                  |
| 2028  |               |                  |                 |                  |
| 2029  |               |                  |                 |                  |
| 2030  |               |                  |                 |                  |
| 2031  |               |                  |                 |                  |
| 2032  |               |                  |                 |                  |
| 2033  |               |                  |                 |                  |
| 2034  |               |                  |                 |                  |

**Re-Pricing Scale (3/1/18) - PM**

| <b>(Syracuse City School District Project) Series 2018A</b> |               |                  |                 |                  |
|---|---------------|------------------|-----------------|------------------|
| <b>May 1</b>  | <b>May</b>    | <b>Spread to</b> | <b>Yield(%)</b> | <b>Coupon(%)</b> |
| <b>MMD(%)</b>   | <b>MMD(%)</b> | <b>MMD(%)</b>    |                 |                  |
| 2020  |               |                  |                 |                  |
| 2021  |               |                  |                 |                  |
| 2022  |               |                  |                 |                  |
| 2023  |               |                  |                 |                  |
| 2024  |               |                  |                 |                  |
| 2025  |               |                  |                 |                  |
| 2026  |               |                  |                 |                  |
| 2027  |               |                  |                 |                  |
| 2028  |               |                  |                 |                  |
| 2029  |               |                  |                 |                  |
| 2030  |               |                  |                 |                  |
| 2031  |               |                  |                 |                  |
| 2032  |               |                  |                 |                  |
| 2033  |               |                  |                 |                  |
| 2034  |               |                  |                 |                  |

## Syndicate Price Views

| May 1 | Spreads*      |     |      |         |    | Average |
|-------|---------------|-----|------|---------|----|---------|
|       | Raymond James | FTN | Loop | Ramirez |    |         |
| 2020  | 5             | 7   | 5    | 7       | 6  |         |
| 2021  | 7             | 9   | 5    | 11      | 8  |         |
| 2022  | 9             | 11  | 7    | 13      | 10 |         |
| 2023  | 10            | 13  | 8    | 15      | 12 |         |
| 2024  | 12            | 15  | 10   | 17      | 14 |         |
| 2025  | 14            | 17  | 12   | 19      | 16 |         |
| 2026  | 16            | 19  | 12   | 21      | 17 |         |
| 2027  | 18            | 20  | 15   | 22      | 19 |         |
| 2028  | 20            | 21  | 15   | 23      | 20 |         |
| 2029  | 20            | 23  | 15   | 24      | 21 |         |
| 2030  | 20            | 25  | 15   | 25      | 21 |         |
| 2031  | 20            | 25  | 15   | 25      | 21 |         |
| 2032  | 20            | 25  | 15   | 25      | 21 |         |
| 2033  | 20            | 25  | 15   | 25      | 21 |         |
| 2034  | 20            | 25  | 15   | 25      | 21 |         |

\*Price Views are based on 5% Coupons and an 8 year call.



**RAYMOND JAMES**

**Price Views Wire (2-27-18)**

RE: \$ 66,855,000\*  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A

Please use the spreads below for pre-marketing purposes, pricing is scheduled for Thursday, March 1st.

POS Link: <https://www.munios.com/munios-notice.aspx?i=5029QF1m38x>

MOODY'S: Aa2                                  S&P: AA                                  FITCH: AA  
                   Stable Outlook                                  Stable Outlook                                  Stable Outlook  
 DATED:03/15/2018      FIRST COUPON:11/01/2018  
 DUE: 05/01

| MATURITY   | I-Spread | AMOUNT* | COUPON | PRICE                                    | ADD'L<br>TAKEDOWN<br>( Pts ) |
|------------|----------|---------|--------|--|------------------------------|
| 05/01/2020 | +5       | 3,070M  | 5.00%  | 1.59                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 107.104)               |                              |
| 05/01/2021 | +6       | 3,225M  | 5.00%  | 1.75                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 109.848)               |                              |
| 05/01/2022 | +8       | 3,390M  | 5.00%  | 1.92                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 112.164)               |                              |
| 05/01/2023 | +9       | 3,565M  | 5.00%  | 2.08                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 114.130)               |                              |
| 05/01/2024 | +10      | 3,750M  | 5.00%  | 2.20                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 115.967)               |                              |
| 05/01/2025 | +12      | 3,940M  | 5.00%  | 2.34                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 117.367)               |                              |
| 05/01/2026 | +13      | 4,140M  | 5.00%  | 2.47                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 118.524)               |                              |
| 05/01/2027 | +15      | 4,355M  | 5.00%  | 2.58                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 117.638 | Approx. YTM                  |
|            |          |         |        | 2.797)                                   |                              |
| 05/01/2028 | +16      | 4,580M  | 5.00%  | 2.66                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 116.999 | Approx. YTM                  |
|            |          |         |        | 3.037)                                   |                              |
| 05/01/2029 | +17      | 4,810M  | 5.00%  | 2.74                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 116.364 | Approx. YTM                  |
|            |          |         |        | 3.237)                                   |                              |
| 05/01/2030 | +18      | 5,060M  | 5.00%  | 2.81                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 115.811 | Approx. YTM                  |
|            |          |         |        | 3.398)                                   |                              |
| 05/01/2031 | +18      | 5,320M  | 5.00%  | 2.86                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 115.418 | Approx. YTM                  |
|            |          |         |        | 3.523)                                   |                              |
| 05/01/2032 | +18      | 5,590M  | 5.00%  | 2.90                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 115.105 | Approx. YTM                  |
|            |          |         |        | 3.624)                                   |                              |
| 05/01/2033 | +18      | 5,880M  | 5.00%  | 2.95                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price PTC 05/01/2026 114.715 | Approx. YTM                  |
|            |          |         |        | 3.719)                                   |                              |
| 05/01/2034 | +53      | 6,180M  | 3.25%  | 3.35                                     | 0.275                        |
|            |          |         |        | (Approx. \$ Price 98.759)                |                              |

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 CALL FEATURES:    Optional call in 05/01/2026 @ 100.00  
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**\*\*Bonds subject to ERP -- see page 30 of the POS\*\***

\* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, March 2, 2018.

Delivery is expected on Thursday, March 15, 2018.

This issue is book entry only. This issue is clearing through DTC.

Raymond James & Associates, Inc.

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

By: Raymond James & Associates, Inc. New York, NY

New Issue Book Entry

Moody's: "Aa2"  
 Standard & Poor's: "AA"  
 Fitch: "AA"  
 (See "RATINGS" herein)

**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

Dated: Delivery Date

Due: as shown on inside cover

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**") are being issued by the City of Syracuse Industrial Development Agency (the "**Issuer**") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "**Syracuse Schools Act**"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "**Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "**Trustee**"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "**SCSD**"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "**City**") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**2008 Original Installment Sale Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "**Fourth Amended Agreement**"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "**JSCB**").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("**State Aid to Education**"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "**State**"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**") and together with the Depository Agreement collectively, the "**State Aid Depository Agreement**"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "**Depository**"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespass & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 15, 2018.*

Raymond James

FTN Financial Capital Markets

Loop Capital Markets

Ramirez &amp; Co., Inc.

Dated: March 2018

\* Preliminary, subject to change

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's assigns enhanced Aa2 to Syracuse I.D.A., NY's Rev bonds

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Global Credit Research - 12 Jan 2018

New York, January 12, 2018 -- Moody's Investors Service has assigned a Aa2 enhanced rating to Syracuse City School District, NY's \$65.7 million School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A issued by the Syracuse Industrial Development Agency (NY).

#### RATINGS RATIONALE

The Aa2 enhanced rating is based on the New York Municipal School Aid Intercept Program which carries a Aa2 rating with a stable outlook. The program rating and outlook shadows the State of New York's long term rating of Aa1 stable. Additional consideration is given to an anticipated healthy coverage of maximum debt service from pledged revenues, given the district's high reliance on state operating aid.

#### RATING OUTLOOK

Given that no underlying rating was assigned, no outlook has been assigned.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

- Improvement in New York State's General Obligation rating

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

- Downgrade of the General Obligation rating of New York State
- Deteriorating coverage levels

#### LEGAL SECURITY

The bonds are special limited obligations of the Syracuse IDA secured by Installment purchase payments from the City of Syracuse CSD.

#### USE OF PROCEEDS

The proceeds from the Series 2018 bonds will be used to finance Phase II of the redevelopment program which consists of reconstruction, construction and rehabilitation of existing school buildings, and the acquisition of certain equipment.

#### PROFILE

The Syracuse City School District serves a student population of 19,951 in the City of Syracuse (A1 stable). The Syracuse IDA is governmental agency created by the state legislature authorized to issue the School Facility Revenue Bonds.

#### METHODOLOGY

The principal methodology used in this rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this

announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody's.com](http://www.moody's.com).

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moody's.com](http://www.moody's.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for additional regulatory disclosures for each credit rating.

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**MOODY'S**  
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**CREDIT OPINION**

12 January 2018

**Rate this Research** >>

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**Syracuse City School District, NY**

## Update to credit analysis

**Summary**

The Syracuse IDA benefits from strong intercept mechanics as described in the New York Municipal School Aid Intercept Program. The school district benefits from high state aid providing strong coverage of debt service.

**Credit strengths**

- » Coverage during the interceptable period is strong
- » Moderate increases to state aid expected going forward

**Credit challenges**

- » State aid is subject to annual appropriation and delays

**Rating outlook**

Given that no underlying rating was assigned, no outlook has been assigned.

**Factors that could lead to an upgrade**

- » Improvement in New York State's General Obligation rating.

**Factors that could lead to a downgrade**

- » Downgrade of the General Obligation rating of New York State
- » Deteriorating coverage levels

**Detailed credit considerations**
**State approved special legislation for overhaul of Syracuse CSD facilities**

In 2006, the state enabled a comprehensive redevelopment program for the CSD's construction of new schools and improvements to existing school facilities through the Syracuse Schools Act over a course of four phases expected to total nearly \$1 billion. Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013.

**Financial Operations and Coverage: Strong coverage continues; School District obligated to make installment payments to IDA**

SIDA has no taxing authority and bondholder security is derived from an installment sale agreement between the CSD and SIDA under which the CSD will make annual payments equal to the annual debt service requirement. These payments are subject to annual

appropriation by the CSD (although state aid intercept mechanics offset the risk of non-appropriation as discussed above) and state aid pledged to the bonds is subject to annual appropriation by the state.

However, Moody's fully anticipates that state aid, which totaled \$318 million in fiscal 2017 compared to projected maximum annual debt service of \$8.5 million, will continue to be made given the fact that the CSD is the one of the largest school districts in New York State and relies on state aid for approximately 80% of its operating revenue.

State aid to the CSD continues to increase, and fiscal 2018 state aid is projected at \$332 million, providing strong provided ample coverage (39 times) of projected maximum annual debt service (MADS). Coverage during the four-month collection interceptable period was healthy at 21.7 times on a cash flow basis. Disbursements are subject to change and delay in the event of state cash flow limitations. However, Moody's believes that these coverage levels provide adequate cushion to mitigate any unforeseen pressure on the state budget. The July 15th state aid payment certificate can be modified subsequently in the event state cash flow disbursements are altered. Although there is no additional bonds test, given planned issuance only for projects approved for state building aid reimbursement (currently 98%), Moody's expects state aid would increase commensurate with additional issuance, and debt service coverage will remain strong. Projected total state aid for fiscal 2018 increases again to \$332 million total and \$184 million during the interceptable period.

#### **Strong Intercept Mechanics**

All state aid (state building and operating aid) will flow directly to the State Aid Depository Fund. Each July 15th, the CSD will provide to the trustee a "state aid payment certificate" which will delineate the percent of debt service to be deducted from state aid during the collection period (the aid-rich period between December 1st and March 31st, during which time approximately 60% of annual state aid is typically received). Excess aid will be forwarded to the CSD General Fund monthly after funding of the Bond Fund and any deficiencies in prior series' DSRFs. In the event state aid is insufficient to fund that month's deposit, the difference will be added to the following month's required segregation such that by March 31st, the May 1st principal and interest and the November 1st interest payments will be fully segregated.

#### **Debt and Legal Security**

Each issuance under this program is separately secured and enjoys a parity lien on state aid receipts of the district. As with past series, there is no additional bonds test.

Given the fact that this is an installment sale agreement between the SIDA and the CSD, and is supported predominantly by nonproperty tax sources, the debt is not legal indebtedness of the City of Syracuse (A1 Stable) and is not factored into its legal- and Moody's-calculated adjusted debt burden.

#### **COMPETING CLAIMS ON STATE AID REVENUE DON'T MATERIALLY DILUTE COVERAGE**

While competing claims on state aid exist, these will not materially dilute debt service coverage. Only Revenue Anticipation Notes (RANs) issued by the city on behalf of the CSD have a priority claim on state aid, which could dilute coverage in a worst case scenario, should a RAN borrowing require segregation as early as March. The city issues revenue anticipation notes each year on behalf of the CSD.

The city issued \$51.8 million in RANs on behalf of the CSD in October of 2017. The notes are payable on October 5, 2017. The city anticipates an additional cash flow borrowing on behalf of the CSD in the fall of 2018. Over the past five fiscal years, Syracuse has issued an average of \$53.6 million in RANs annually for the SCSD.

Declining enrollment or alteration of reimbursement rates and/or timing of payments by New York State could also cause coverage levels to fall. However, the CSD reports that general population declines are offset by growing enrollment of refugee students. Enrollment has grown from 19,713 in 2012 to 20,136 in 2018.

#### **DEBT-RELATED DERIVATIVES**

There is no exposure to debt-related derivatives

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**Management and Governance**

Despite reductions in reliance on reserves and out-year budget gaps, city management will be challenged to achieve balance over the near-term.

New York School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New York School Districts operate within a state-imposed property tax cap, which limits their ability to increase their operating levy by the lesser of 2% or CPI. This cap cannot be overridden at the local level, but can be overridden with 60% voter approval. Unpredictable revenue fluctuations tend to be low, or less than 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. New York State has public sector unions and the additional constraint of the Triborough Amendment, which limits the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, or between 5-10% annually.

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**Summary:**

## Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

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### Table Of Contents

---

Rationale

Outlook

## Summary:

# Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

## Credit Profile

US\$65.675 mil sch facility rev bnds (Syracuse City Sch Dist Proj) ser 2018A due 05/01/2035

*Long Term Rating*

AA/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA' rating to the Syracuse Industrial Development Agency, N.Y.'s series 2018A school facility revenue refunding. At the same time, we affirmed our 'AA' rating on the agency's series 2010, 2011A, 2011B, and 2017A general obligation (GO) debt. The outlook for all issues is stable.

The rating reflects what we view as:

- The strength of the statutory direct-pay intercept of state aid for education by the New York state comptroller, which is structured to be sent directly to the bond trustee in advance of debt service due dates to pay debt service;
- A established funding structure that allows for the timely intercept of state aid and payment of principal and interest on the bonds outstanding even if the school district fails to appropriate funds;
- The state's consistent and strong oversight of school districts with a long history of state support, especially in distressed situations; and
- Strong maximum annual debt service (MADS) coverage.

We typically rate intercept or withholding programs that meet certain requirements at a level one notch off of our GO debt rating on the state--on par with the state appropriation rating--reflecting the appropriation nature of the intercept or withholding mechanism. Accordingly, if we change the state GO rating, we would likely change the program rating. In our view, programs such as the one in place for Syracuse City School District, that allow for the full and timely payment of debt service from state aid with strong state oversight, qualify for the enhanced rating. Bond proceeds will be used for financing a portion of the costs of Phase II of the school redevelopment program, which consist of design and/or reconstruction, construction, and rehabilitation of existing school buildings.

The New York State Legislature has authorized the bonds under the Syracuse Schools Act of 2006. Under the State Aid Depository Agreement, the City and the Syracuse City School District instructed the state comptroller to pay all state building aid and operating aid for Syracuse city school districts to the state aid depository fund held by the depository bank. Under the indenture, deposits of state aid to pay debt service begin on Dec. 1, with sufficient funds set aside by March 31 to pay principal and interest payments on the subsequent May 1 and Nov. 1. Amounts in the state aid depository fund will be transferred to the bond fund held by the bond trustee to pay scheduled debt service.

MADS on the agency's school program bonds, including series 2010, 2011A, 2011B, 2017A, and the new 2018A series, is \$17.76 million and due in 2022. In the fiscal year ended June 30, 2017, the Syracuse City School District estimates it

*Summary: Syracuse Industrial Development Agency, New York; Appropriations; General Obligation*

received \$318.8 million in total state aid, which is consistent with the high state aid provided in previous years. For the November through April period, the district received about \$181.6 million in state aid, with a strong 10.2x MADS coverage. Fiscal 2017's total state aid provided MADS coverage of 17.9x for the program. The debt is amortized through 2035.

The structure of the program, in which state aid in the current state fiscal year funds debt service payments for the subsequent year, and historically strong coverage, provide adequate protection against delayed passage of state budgets.

## Outlook

The stable outlook reflects the current outlook on the state of New York's GO debt and the strength of state appropriations for New York education. We would expect the rating to change if our rating on New York State's GO debt changes

### Ratings Detail (As Of January 12, 2018)

|  |                 |          |
|--|-----------------|----------|
| Syracuse Indl Dev Agy sch fac rev bnds (Syracuse City Sch Dist Proj) |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy sch fac rfdg rev bnds                          |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy GO (AGM)                                       |                 |          |
| <i>Unenhanced Rating</i>   | AA(SPUR)/Stable | Affirmed |

Many issues are enhanced by bond insurance.

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# FitchRatings

## Fitch Rates Syracuse IDA School Facility (NY) Rev Bonds 'AA'; Outlook Stable

Fitch Ratings-New York-11 January 2018: Fitch Ratings has assigned a 'AA' rating to the following Syracuse Industrial Development Agency, NY (IDA) revenue bonds:

--\$65.7 million school facility revenue bonds (Syracuse city school district project), series 2018A.

In addition, Fitch has affirmed the 'AA' ratings on approximately \$32 million of school facility revenue bonds outstanding (Syracuse city school district project), series 2008A.

The Rating Outlook is Stable.

### SECURITY

The bonds are secured solely by state aid revenues annually appropriated to the Syracuse City School District by the state of New York and remitted to the district from the period Dec. 1 through March 31 (the collection period).

In the event that the district fails to appropriate state aid sufficient to cover debt service payments by Nov. 10 (for debt service payments scheduled for the following May 1 and Nov. 1), state aid sufficient to cover principal and interest will be intercepted by the state and forwarded to the trustee. As intercepted aid is not subject to appropriation by the district, this provision effectively removes the risk to bondholders of non-appropriation by the district.

There is no debt service reserve securing the 2018A bonds.

### KEY RATING DRIVERS

**RATING BASED ON STATE INTERCEPT:** The 'AA' rating is based on the state's obligation to intercept the district's state aid in a timely manner as needed to pay debt service. Administrative, structural and legal protections in place for the bonds provide credit enhancement for this debt at a level equal to one notch below New York State's 'AA+' Issuer Default Rating (IDR). The 'AA' rating does not reflect the district's underlying credit quality.

**STATE AID SET-ASIDE:** Bondholders benefit from remittance of state aid to a depository fund from which debt service is set aside before flowing to the district. In the event of a failure by the district to certify that sufficient funds have been set aside to cover upcoming debt service, state aid is remitted directly to the trustee, providing for pre-default payment.

**STRONG COVERAGE:** Interceptable state aid provides strong coverage of maximum annual debt service (MADS) on the current issue and on total authorized borrowing. Fitch expects coverage levels to remain strong despite potential modest declines in the coming years due to the district's extensive capital and borrowing plans, competition from charter schools and pressured enrolment.

### RATING SENSITIVITIES

**CHANGE IN NEW YORK'S IDR:** The rating is sensitive to a change in the state's IDR, to which these bonds are linked.

**MATERIAL WEAKENING IN COVERAGE LEVELS:** The rating assumes continued strong coverage of debt service by interceptible state aid. A material decline in future coverage could pressure the rating.

### CREDIT PROFILE

The New York State legislature Chapter 58 Pt. A4 of the Laws of 2006 (the intercept act), authorized the bonds to encourage the city and district to renovate its public schools. Capital improvement spending under phase one totaled \$145 million. The second phase was authorized by the state legislature in 2013 and authorized up to \$300 million in additional capital improvements. The district's capital and financial plan for phase two is broken into two sets of projects; the first set has been approved by the New York State Dept. of Education and includes six projects with a seventh in the design phase. The district estimates its total capital improvement costs over all phases of its modernization efforts at approximately \$1.2 billion, the majority of which is expected to be financed under the current borrowing program.

The school district is governed by an independently elected board of education. The city of Syracuse (A/Stable) city council approves the district's budget and levies taxes on its behalf, but does not otherwise exercise direct control over the district.



## STRONG COVERAGE BY STATE AID

State aid is remitted monthly, but unevenly, to the district during the course of the fiscal year. Between Dec. 1 and March 31, the district's state-aid moneys are remitted to a state-aid depository fund held outside the district. Funds for the payment of upcoming debt service are set aside and the remaining funds are forwarded to the district to cover operations.

In the event the district fails to certify to the trustee by Nov. 10 that it has set aside sufficient moneys to cover upcoming debt service, the trustee will notify the state comptroller. The comptroller will intercept pending state aid receipts destined for the district and remit such moneys immediately (between Nov. 15 and April 30) to the trustee. The intercept mechanism ensures that the trustee has sufficient funds on hand to cover debt service well in advance of the payment dates.

Fitch's 'AA' rating is based on the intercept mechanism which, if triggered, would take into account senior claims. Approximately 55% of interceptable state aid - \$184 million out of \$332 million in total fiscal 2018 state aid - will be remitted during the collection period. Coverage during the collection period from state aid is strong at an estimated 10.4x MADS for fiscal 2018. Coverage from all state aid appropriated during the fiscal year is an estimated 18.7x MADS. When collection-period state aid is considered versus MADS for the bonds and the district's senior debt obligations combined, coverage is still robust at an estimated 6.3x MADS.

Future building modernization projects will in all likelihood be supported by state building aid, which has historically covered about 80% of project costs. If that continues to be the case, Fitch expects coverage of debt service by state aid to remain strong.

## SENIOR LIEN RISKS TO INTERCEPT COVERAGE

Interceptable aid could be diminished due to various senior and parity claims to the district's state aid for education, such as late charter school payments by the district that have a senior claim to state aid funds.

Furthermore, the district has approximately \$35 million of outstanding general obligation (GO) debt that is subject to a post-default state aid intercept; senior GO bond claims on state aid resources could marginally diminish coverage. The intercept of funds to cure a GO default is senior to the regular payments on the school facility revenue bonds. However, if the intercept for the revenue bonds is also triggered, the defaulted GOs and the rated bonds would become parity obligations under the intercept act. Fitch does not believe the lien provisions for competing state aid claims materially affect the strength of debt service coverage.

## RISK OF LATE STATE BUDGET MITIGATED BY COLLECTION PERIOD

Fitch believes that the timeframe of the collection period mitigates risks associated with the possibility of late state-budget adoption, as the state's fiscal year begins on April 1. The collection period does not begin until Dec. 1 - eight months into the state's fiscal year. In the past, the state was up to 4 1/2 months late in adopting a budget; however, recent budget adoption has been on time. Fitch believes the risk of potential delays in state aid payments during times of budgetary pressure is mitigated by high coverage levels.

## PRESSURED DISTRICT ENROLLMENT AND CHARTER SCHOOL COMPETITION

Fitch believes that declining student enrollment and increased charter school competition may have a modestly negative affect on future growth in state aid revenues. The district has experienced a nearly 5% enrollment decline since 2007, to an estimated 20,136 students in 2018. The district posted a small enrollment gain for fiscal 2018, which it attributes to an influx of refugee families.

Fitch believes that the sustainability of recent enrollment growth is uncertain given the 1.2% population decrease in Syracuse since the 2010 U.S. Census. In addition, future enrollment losses from continued charter school development - if such development occurs - could outweigh population gains over time.

Three charter schools currently operate within the district and educate about 1,800 pupils (approximately 9% of district and charter enrollees). In 2010 the state legislature increased the statewide number of charter schools permitted, which allowed two additional charters to receive state approval in 2016. One new charter school opened in 2017 and enrolls about 230 students. All charters receive formulaic per pupil aid that passes through the district. The district made \$19.7 million in charter school payments in fiscal 2017. Officials estimate fiscal 2018 charter school payments will increase to about \$24 million, up 22% from the prior year.

Despite pressure on enrollment, management anticipates that state aid will increase due to a growing need for increased ESL services. The district's five-year financial plan estimated that state aid for education would increase by 4.4% in fiscal 2018, followed by more modest increases through fiscal 2021. Fiscal 2018 state aid receipts have closely matched management's expectations. Fitch anticipates coverage levels to remain high due to planned new debt issuances that will likely be supported by further increases in interceptable state building aid.

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**Applicable Criteria**

U.S. Public Finance Tax-Supported Rating Criteria (pub. 31 May 2017) (<https://www.fitchratings.com/site/re/898466>)

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**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A**

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| Monika Jarecka-Conley              | Senior Managing Director                 | 212-566-7800 | <a href="mailto:mconley@pragadvisors.com">mconley@pragadvisors.com</a>      |

## **DISCLAIMER**

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

Raymond James shall have no liability, contingent or otherwise, to the recipient hereof or to any third party, or any responsibility whatsoever, for the accuracy, correctness, timeliness, reliability or completeness of the data or formulae provided herein or for the performance of or any other aspect of the materials, structures and strategies presented herein. Raymond James is neither acting as your financial advisor nor Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended), and expressly disclaims any fiduciary duty to you in connection with the subject matter of this Proposal.

Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires that we make the following disclosure to you at the earliest stages of our relationship, as underwriter, with respect to an issue of municipal securities: the underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or legal counsel.

Raymond James and affiliates, and officers, directors and employees thereof, including individuals who may be involved in the preparation or presentation of this material, may from time to time have positions in, and buy or sell, the securities, derivatives (including options) or other financial products of entities mentioned herein. In addition, Raymond James or affiliates thereof may have served as an underwriter or placement agent with respect to a public or private offering of securities by one or more of the entities referenced herein.

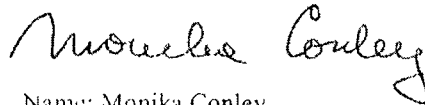
This Proposal is not a binding commitment, obligation, or undertaking of Raymond James. No obligation or liability with respect to any issuance or purchase of any Bonds or other securities described herein shall exist, nor shall any representations be deemed made, nor any reliance on any communications regarding the subject matter hereof be reasonable or justified unless and until (1) all necessary Raymond James, rating agency or other third party approvals, as applicable, shall have been obtained, including, without limitation, any required Raymond James senior management and credit committee approvals, (2) all of the terms and conditions of the documents pertaining to the subject transaction are agreed to by the parties thereto as evidenced by the execution and delivery of all such documents by all such parties, and (3) all conditions hereafter established by Raymond James for closing of the transaction have been satisfied in our sole discretion. Until execution and delivery of all such definitive agreements, all parties shall have the absolute right to amend this Proposal and/or terminate all negotiations for any reason without liability therefor.

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

Exhibit A

**\$67,265,000**

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%



**EXHIBIT "B"**

## TABLE OF CONTENTS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Report                                    | Page |
|---|------|
| <b>Phase II - Tranche 1A</b>              |      |
| Sources and Uses of Funds . . . . .       | 1    |
| Spread to Municipal Grade Yield . . . . . | 2    |
| Bond Pricing . . . . .                    | 3    |
| Bond Debt Service . . . . .               | 4    |
| Net Debt Service . . . . .                | 6    |
| Bond Summary Statistics . . . . .         | 8    |
| Proof of Arbitrage Yield . . . . .        | 9    |
| Average Takedown . . . . .                | 11   |
| Underwriter's Discount . . . . .          | 12   |
| Cost of Issuance . . . . .                | 13   |
| <b>Bellevue</b>                           |      |
| Sources and Uses of Funds . . . . .       | 14   |
| Bond Pricing . . . . .                    | 15   |
| Bond Debt Service . . . . .               | 16   |
| Net Debt Service . . . . .                | 17   |
| Bond Summary Statistics . . . . .         | 18   |
| <b>Ed Smith</b>                           |      |
| Sources and Uses of Funds . . . . .       | 19   |
| Bond Pricing . . . . .                    | 20   |
| Bond Debt Service . . . . .               | 21   |
| Net Debt Service . . . . .                | 22   |
| Bond Summary Statistics . . . . .         | 23   |
| <b>Frazer</b>                             |      |
| Sources and Uses of Funds . . . . .       | 24   |
| Bond Pricing . . . . .                    | 25   |
| Bond Debt Service . . . . .               | 26   |
| Net Debt Service . . . . .                | 27   |
| Bond Summary Statistics . . . . .         | 28   |
| <b>Grant</b>                              |      |
| Sources and Uses of Funds . . . . .       | 29   |
| Bond Pricing . . . . .                    | 30   |
| Bond Debt Service . . . . .               | 31   |
| Net Debt Service . . . . .                | 32   |
| Bond Summary Statistics . . . . .         | 33   |

## SOURCES AND USES OF FUNDS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Sources  | Bellevue             | Ed Smith             | Frazer              | Grant                | Total                |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|
| <b>Bond Proceeds</b>                           |                      |                      |                     |                      |                      |
| Par Amount                                     | 18,830,000 00        | 19,800,000 00        | 6,215,000 00        | 22,420,000 00        | 67,265,000 00        |
| Net Premium                                    | 2,665,170 45         | 2,808,185 95         | 880,862 75          | 3,178,289 50         | 9,532,508 65         |
|  | <u>21,495,170 45</u> | <u>22,608,185 95</u> | <u>7,095,862 75</u> | <u>25,598,289 50</u> | <u>76,797,508 65</u> |
| <b>Other Sources of Funds</b>                  |                      |                      |                     |                      |                      |
| SCSD Contribution for BAN Interest Repayment   | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| SCSD Contribution for BAN Principal Repayment  | 145,572 92           | 153,020 83           | 48,072 92           | 173,333 33           | 520,000 00           |
|  | <u>163,351 47</u>    | <u>171,708 98</u>    | <u>53,943 98</u>    | <u>194,502 21</u>    | <u>583,506 64</u>    |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806 73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |
| <b>Uses</b>                                    |                      |                      |                     |                      |                      |
| <b>Project Fund Deposits</b>                   |                      |                      |                     |                      |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12         | 2,182,733 36         | 685,725 79          | 2,472,476 73         | 7,417,430 00         |
| Deposit to Series 2018A Project Account        | 17,912,617 54        | 18,841,522 56        | 5,913,063 35        | 21,331,894 06        | 63,999,097 51        |
|  | <u>19,989,111 66</u> | <u>21,024,255 92</u> | <u>6,598,789 14</u> | <u>23,804,370 79</u> | <u>71,416,527 51</u> |
| <b>Other Fund Deposits</b>                     |                      |                      |                     |                      |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55            | 18,688 15            | 5,871 06            | 21,168 88            | 63,506 64            |
| BAN Principal Repayment from SCSD Contribution | 145,572 92           | 153,020 83           | 48,072 92           | 173,333 33           | 520,000 00           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461 94         | 1,080,678 96         | 339,108 68          | 1,224,075 90         | 3,671,325 48         |
|  | <u>1,190,813 41</u>  | <u>1,252,387 94</u>  | <u>393,052 66</u>   | <u>1,418,578 11</u>  | <u>4,254,832 12</u>  |
| <b>Delivery Date Expenses</b>                  |                      |                      |                     |                      |                      |
| Cost of Issuance                               | 116,733 98           | 122,747 35           | 38,529 04           | 138,989 63           | 417,000 00           |
| Underwriter's Discount                         | 110,858 45           | 116,569 17           | 36,589 77           | 131,993 95           | 396,011 34           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 156,854 42           | 164,934 55           | 51,771 12           | 186,759 23           | 560,319 32           |
| SIDA Fee (\$5 per Bond)                        | 94,150 00            | 99,000 00            | 31,075 00           | 112,100 00           | 336,325 00           |
|  | <u>478,596 85</u>    | <u>503,251 07</u>    | <u>157,964 93</u>   | <u>569,842 81</u>    | <u>1,709,655 66</u>  |
|  | <u>21,658,521 92</u> | <u>22,779,894 93</u> | <u>7,149,806 73</u> | <u>25,792,791 71</u> | <u>77,381,015 29</u> |

SPREAD TO MUNICIPAL GRADE YIELD  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Component   | Maturity Date | Rate   | Yield  | May Interpolated MMD* | Credit Spread |
|-------------|---------------|--------|--------|-----------------------|---------------|
| Serial Bond | 05/01/2020    | 5.000% | 1.500% | 1.540%                | -0.040%       |
|             | 05/01/2021    | 5.000% | 1.690% | 1.690%                |               |
|             | 05/01/2022    | 5.000% | 1.890% | 1.840%                | 0.050%        |
|             | 05/01/2023    | 5.000% | 2.010% | 1.990%                | 0.020%        |
|             | 05/01/2024    | 5.000% | 2.090% | 2.100%                | -0.010%       |
|             | 05/01/2025    | 5.000% | 2.240% | 2.220%                | 0.020%        |
|             | 05/01/2026    | 5.000% | 2.330% | 2.330%                |               |
|             | 05/01/2027    | 5.000% | 2.470% | 2.420%                | 0.050%        |
|             | 05/01/2028    | 5.000% | 2.540% | 2.490%                | 0.050%        |
|             | 05/01/2029    | 5.000% | 2.650% | 2.560%                | 0.090%        |
|             | 05/01/2030    | 5.000% | 2.740% | 2.620%                | 0.120%        |
|             | 05/01/2031    | 5.000% | 2.790% | 2.670%                | 0.120%        |
|             | 05/01/2032    | 5.000% | 2.820% | 2.710%                | 0.110%        |
|             | 05/01/2033    | 5.000% | 2.870% | 2.760%                | 0.110%        |
|             | 05/01/2034    | 3.250% | 3.350% | 2.810%                | 0.540%        |

Note \* MMD as of Close of Business on February 28, 2018

BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond:   |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5 000% | 1 500% | 107 300   |                   |            |            | 225,570 00          | 2 750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5 000% | 1 690% | 110 040   |                   |            |            | 326,300 00          | 2 750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5 000% | 1 890% | 112 291   |                   |            |            | 419,737 65          | 2 750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5 000% | 2 010% | 114 496   |                   |            |            | 520,406 40          | 2 750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5 000% | 2 090% | 116 653   |                   |            |            | 628,650 75          | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5 000% | 2 240% | 118 086   |                   |            |            | 718,014 20          | 2 750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5 000% | 2 330% | 119 663   |                   |            |            | 819,947 10          | 2 750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 812,277 40          | 2 750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 827,909 90          | 2 750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5 000% | 2 650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 827,477 55          | 2 750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5 000% | 2 740% | 116 364 C | 3 347%            | 05/01/2026 | 100 000    | 833,745 80          | 2 750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5 000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100 000    | 855,139 95          | 2 750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5 000% | 2 820% | 115 732 C | 3 572%            | 05/01/2026 | 100 000    | 885,711 60          | 2 750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5 000% | 2 870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 908,128 00          | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3 250% | 3 350% | 98 759    |                   |            |            | -76,507.65          | 2 750    |
|                |               |           | 67,265,000 |        |        |           |                   |            |            | 9,532,508 65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000 00 |             |
| Premium                | 9,532,508 65  |             |
| Production             | 76,797,508 65 | 114 171573% |
| Underwriter's Discount | -396,011 34   | -0 588733%  |
| Purchase Price         | 76,401,497 31 | 113 582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497 31 |             |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  |
|---------------|------------|--------|---------------|---------------|
| 11/01/2018    |            |        | 2,043,644 23  | 2,043,644 23  |
| 11/01/2019    |            |        | 3,255,362 50  | 3,255,362 50  |
| 11/01/2020    | 3,090,000  | 5.000% | 3,178,112 50  | 6,268,112 50  |
| 11/01/2021    | 3,250,000  | 5.000% | 3,019,612 50  | 6,269,612 50  |
| 11/01/2022    | 3,415,000  | 5.000% | 2,852,987 50  | 6,267,987 50  |
| 11/01/2023    | 3,590,000  | 5.000% | 2,677,862 50  | 6,267,862 50  |
| 11/01/2024    | 3,775,000  | 5.000% | 2,493,737 50  | 6,268,737 50  |
| 11/01/2025    | 3,970,000  | 5.000% | 2,300,112 50  | 6,270,112 50  |
| 11/01/2026    | 4,170,000  | 5.000% | 2,096,612 50  | 6,266,612 50  |
| 11/01/2027    | 4,385,000  | 5.000% | 1,882,737 50  | 6,267,737 50  |
| 11/01/2028    | 4,610,000  | 5.000% | 1,657,862 50  | 6,267,862 50  |
| 11/01/2029    | 4,845,000  | 5.000% | 1,421,487 50  | 6,266,487 50  |
| 11/01/2030    | 5,095,000  | 5.000% | 1,172,987 50  | 6,267,987 50  |
| 11/01/2031    | 5,355,000  | 5.000% | 911,737 50    | 6,266,737 50  |
| 11/01/2032    | 5,630,000  | 5.000% | 637,112 50    | 6,267,112 50  |
| 11/01/2033    | 5,920,000  | 5.000% | 348,362 50    | 6,268,362 50  |
| 11/01/2034    | 6,165,000  | 3.250% | 100,181 25    | 6,265,181 25  |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date           03/15/2018  
 Delivery Date       03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  | 2,043,644.23        |
| 05/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  |                     |
| 11/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  | 3,255,362.50        |
| 05/01/2020    | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25  |                     |
| 11/01/2020    |            |        | 1,550,431.25  | 1,550,431.25  | 6,268,112.50        |
| 05/01/2021    | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25  |                     |
| 11/01/2021    |            |        | 1,469,181.25  | 1,469,181.25  | 6,269,612.50        |
| 05/01/2022    | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25  |                     |
| 11/01/2022    |            |        | 1,383,806.25  | 1,383,806.25  | 6,267,987.50        |
| 05/01/2023    | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25  |                     |
| 11/01/2023    |            |        | 1,294,056.25  | 1,294,056.25  | 6,267,862.50        |
| 05/01/2024    | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25  |                     |
| 11/01/2024    |            |        | 1,199,681.25  | 1,199,681.25  | 6,268,737.50        |
| 05/01/2025    | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25  |                     |
| 11/01/2025    |            |        | 1,100,431.25  | 1,100,431.25  | 6,270,112.50        |
| 05/01/2026    | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25  |                     |
| 11/01/2026    |            |        | 996,181.25    | 996,181.25    | 6,266,612.50        |
| 05/01/2027    | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25  |                     |
| 11/01/2027    |            |        | 886,556.25    | 886,556.25    | 6,267,737.50        |
| 05/01/2028    | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25  |                     |
| 11/01/2028    |            |        | 771,306.25    | 771,306.25    | 6,267,862.50        |
| 05/01/2029    | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25  |                     |
| 11/01/2029    |            |        | 650,181.25    | 650,181.25    | 6,266,487.50        |
| 05/01/2030    | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25  |                     |
| 11/01/2030    |            |        | 522,806.25    | 522,806.25    | 6,267,987.50        |
| 05/01/2031    | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25  |                     |
| 11/01/2031    |            |        | 388,931.25    | 388,931.25    | 6,266,737.50        |
| 05/01/2032    | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25  |                     |
| 11/01/2032    |            |        | 248,181.25    | 248,181.25    | 6,267,112.50        |
| 05/01/2033    | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25  |                     |
| 11/01/2033    |            |        | 100,181.25    | 100,181.25    | 6,268,362.50        |
| 05/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |                     |
| 11/01/2034    |            |        |               |               | 6,265,181.25        |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 | 99,315,512.98       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Period<br>Ending | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service |
|------------------|------------|--------|---------------|-----------------------|---|---------------------|
| 11/01/2018       |            |        | 2,043,644.23  | 2,043,644.23          | 2,043,644.23  |                     |
| 11/01/2019       |            |        | 3,255,362.50  | 3,255,362.50          | 1,627,681.25  | 1,627,681.25        |
| 11/01/2020       | 3,090,000  | 5.000% | 3,178,112.50  | 6,268,112.50          |   | 6,268,112.50        |
| 11/01/2021       | 3,250,000  | 5.000% | 3,019,612.50  | 6,269,612.50          |   | 6,269,612.50        |
| 11/01/2022       | 3,415,000  | 5.000% | 2,852,987.50  | 6,267,987.50          |   | 6,267,987.50        |
| 11/01/2023       | 3,590,000  | 5.000% | 2,677,862.50  | 6,267,862.50          |   | 6,267,862.50        |
| 11/01/2024       | 3,775,000  | 5.000% | 2,493,737.50  | 6,268,737.50          |   | 6,268,737.50        |
| 11/01/2025       | 3,970,000  | 5.000% | 2,300,112.50  | 6,270,112.50          |   | 6,270,112.50        |
| 11/01/2026       | 4,170,000  | 5.000% | 2,096,612.50  | 6,266,612.50          |   | 6,266,612.50        |
| 11/01/2027       | 4,385,000  | 5.000% | 1,882,737.50  | 6,267,737.50          |   | 6,267,737.50        |
| 11/01/2028       | 4,610,000  | 5.000% | 1,657,862.50  | 6,267,862.50          |   | 6,267,862.50        |
| 11/01/2029       | 4,845,000  | 5.000% | 1,421,487.50  | 6,266,487.50          |   | 6,266,487.50        |
| 11/01/2030       | 5,095,000  | 5.000% | 1,172,987.50  | 6,267,987.50          |   | 6,267,987.50        |
| 11/01/2031       | 5,355,000  | 5.000% | 911,737.50    | 6,266,737.50          |   | 6,266,737.50        |
| 11/01/2032       | 5,630,000  | 5.000% | 637,112.50    | 6,267,112.50          |   | 6,267,112.50        |
| 11/01/2033       | 5,920,000  | 5.000% | 348,362.50    | 6,268,362.50          |   | 6,268,362.50        |
| 11/01/2034       | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25          |   | 6,265,181.25        |
|                  | 67,265,000 |        | 32,050,512.98 | 99,315,512.98         | 3,671,325.48  | 95,644,187.50       |



## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 2,043,644 23  | 2,043,644 23          | 2,043,644 23  |                     |                   |
| 05/01/2019 |            |        | 1,627,681 25  | 1,627,681 25          | 1,627,681 25  |                     |                   |
| 11/01/2019 |            |        | 1,627,681 25  | 1,627,681 25          |   | 1,627,681 25        | 1,627,681 25      |
| 05/01/2020 | 3,090,000  | 5 000% | 1,627,681 25  | 4,717,681 25          |   | 4,717,681 25        |                   |
| 11/01/2020 |            |        | 1,550,431 25  | 1,550,431 25          |   | 1,550,431 25        | 6,268,112 50      |
| 05/01/2021 | 3,250,000  | 5.000% | 1,550,431 25  | 4,800,431 25          |   | 4,800,431 25        |                   |
| 11/01/2021 |            |        | 1,469,181 25  | 1,469,181 25          |   | 1,469,181 25        | 6,269,612 50      |
| 05/01/2022 | 3,415,000  | 5 000% | 1,469,181 25  | 4,884,181 25          |   | 4,884,181 25        |                   |
| 11/01/2022 |            |        | 1,383,806 25  | 1,383,806 25          |   | 1,383,806 25        | 6,267,987 50      |
| 05/01/2023 | 3,590,000  | 5 000% | 1,383,806 25  | 4,973,806 25          |   | 4,973,806 25        |                   |
| 11/01/2023 |            |        | 1,294,056 25  | 1,294,056 25          |   | 1,294,056 25        | 6,267,862 50      |
| 05/01/2024 | 3,775,000  | 5 000% | 1,294,056 25  | 5,069,056 25          |   | 5,069,056 25        |                   |
| 11/01/2024 |            |        | 1,199,681 25  | 1,199,681 25          |   | 1,199,681 25        | 6,268,737 50      |
| 05/01/2025 | 3,970,000  | 5 000% | 1,199,681 25  | 5,169,681 25          |   | 5,169,681 25        |                   |
| 11/01/2025 |            |        | 1,100,431 25  | 1,100,431 25          |   | 1,100,431 25        | 6,270,112 50      |
| 05/01/2026 | 4,170,000  | 5 000% | 1,100,431 25  | 5,270,431 25          |   | 5,270,431 25        |                   |
| 11/01/2026 |            |        | 996,181 25    | 996,181 25            |   | 996,181 25          | 6,266,612 50      |
| 05/01/2027 | 4,385,000  | 5 000% | 996,181 25    | 5,381,181 25          |   | 5,381,181 25        |                   |
| 11/01/2027 |            |        | 886,556 25    | 886,556 25            |   | 886,556 25          | 6,267,737 50      |
| 05/01/2028 | 4,610,000  | 5 000% | 886,556 25    | 5,496,556 25          |   | 5,496,556 25        |                   |
| 11/01/2028 |            |        | 771,306 25    | 771,306 25            |   | 771,306 25          | 6,267,862 50      |
| 05/01/2029 | 4,845,000  | 5 000% | 771,306 25    | 5,616,306 25          |   | 5,616,306 25        |                   |
| 11/01/2029 |            |        | 650,181 25    | 650,181 25            |   | 650,181 25          | 6,266,487 50      |
| 05/01/2030 | 5,095,000  | 5 000% | 650,181 25    | 5,745,181 25          |   | 5,745,181 25        |                   |
| 11/01/2030 |            |        | 522,806 25    | 522,806 25            |   | 522,806 25          | 6,267,987 50      |
| 05/01/2031 | 5,355,000  | 5 000% | 522,806 25    | 5,877,806 25          |   | 5,877,806 25        |                   |
| 11/01/2031 |            |        | 388,931 25    | 388,931 25            |   | 388,931 25          | 6,266,737 50      |
| 05/01/2032 | 5,630,000  | 5 000% | 388,931 25    | 6,018,931 25          |   | 6,018,931 25        |                   |
| 11/01/2032 |            |        | 248,181 25    | 248,181 25            |   | 248,181 25          | 6,267,112 50      |
| 05/01/2033 | 5,920,000  | 5 000% | 248,181 25    | 6,168,181 25          |   | 6,168,181 25        |                   |
| 11/01/2033 |            |        | 100,181 25    | 100,181 25            |   | 100,181 25          | 6,268,362 50      |
| 05/01/2034 | 6,165,000  | 3 250% | 100,181 25    | 6,265,181 25          |   | 6,265,181 25        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 6,265,181 25      |
|            | 67,265,000 |        | 32,050,512 98 | 99,315,512 98         | 3,671,325 48  | 95,644,187 50       | 95,644,187 50     |

BOND SUMMARY STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132024%     |
| Net Interest Cost (NIC)           | 3.390600%     |
| All-In TIC                        | 3.349673%     |
| Average Coupon                    | 4.742533%     |
| Average Life (years)              | 10.047        |
| Weighted Average Maturity (years) | 10.010        |
| Duration of Issue (years)         | 8.120         |
| Par Amount                        | 67,265,000.00 |
| Bond Proceeds                     | 76,797,508.65 |
| Total Interest                    | 32,050,512.98 |
| Net Interest                      | 22,914,015.67 |
| Total Debt Service                | 99,315,512.98 |
| Maximum Annual Debt Service       | 6,270,112.50  |
| Average Annual Debt Service       | 6,158,040.76  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.582840    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 67,265,000.00 | 114.172 | 4.743%         | 10.047       | 49,660.30         |
|                | 67,265,000.00 |         |                | 10.047       | 49,660.30         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 67,265,000.00 | 67,265,000.00 | 67,265,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 9,532,508.65  | 9,532,508.65  | 9,532,508.65    |
| - Underwriter's Discount   | -396,011.34   | -396,011.34   |                 |
| - Cost of Issuance Expense |               | -417,000.00   |                 |
| - Other Amounts            |               | -896,644.32   |                 |
| Target Value               | 76,401,497.31 | 75,087,852.99 | 76,797,508.65   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132024%     | 3.349673%     | 2.644747%       |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV<br>Factor | Present Value<br>to 03/15/2018<br>@ 2.6447472168% |
|------------|---------------|---------------|--------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971  | 2,010,212.19                                      |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324  | 1,580,158.37                                      |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223  | 1,559,535.48                                      |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481  | 4,461,173.76                                      |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941  | 1,446,997.24                                      |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472  | 4,421,708.29                                      |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972  | 1,335,610.60                                      |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367  | 4,382,186.89                                      |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608  | 1,225,375.11                                      |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676  | 4,346,876.25                                      |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574  | 1,116,185.08                                      |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336  | 4,315,238.60                                      |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017  | 1,007,948.21                                      |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700  | 4,286,775.69                                      |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494  | 900,584.68  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530  | 33,205,369.32                                     |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965  | 79,861.48   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979  | 78,819.20   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777  | 77,790.52   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588  | 76,775.26   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661  | 75,773.26   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270  | 74,784.33   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713  | 73,808.31   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307  | 72,845.02   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394  | 71,894.31   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334  | 70,956.01   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513  | 70,029.95   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334  | 69,115.98   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223  | 68,213.94   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626  | 67,323.67   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009  | 66,445.01   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859  | 4,101,136.64                                      |
|            | 91,789,762.98 | 91,789,762.98 |              | 76,797,508.65                                     |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% | 05/01/2026 | 100.000    | 2.4698367%             |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% | 05/01/2026 | 100.000    | 2.5398721%             |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% | 05/01/2026 | 100.000    | 2.6497442%             |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% | 05/01/2026 | 100.000    | 2.7397341%             |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% | 05/01/2026 | 100.000    | 2.7897287%             |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% | 05/01/2026 | 100.000    | 2.8198220%             |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% | 05/01/2026 | 100.000    | 2.8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% |           |            | 2.6963777%             | 0.2265411%        |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% |           |            | 2.9364737%             | 0.3966016%        |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% |           |            | 3.1663014%             | 0.5165572%        |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% |           |            | 3.3466397%             | 0.6069056%        |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% |           |            | 3.4741604%             | 0.6844317%        |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% |           |            | 3.5716360%             | 0.7518140%        |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% |           |            | 3.6689980%             | 0.7992417%        |

## AVERAGE TAKEDOWN

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Maturity Date | Par Amount | Takedown \$/Bond | Takedown Amount |
|----------------|---------------|------------|------------------|-----------------|
| Serial Bond    | 05/01/2020    | 3,090,000  | 2 7500           | 8,497 50        |
|                | 05/01/2021    | 3,250,000  | 2 7500           | 8,937 50        |
|                | 05/01/2022    | 3,415,000  | 2 7500           | 9,391 25        |
|                | 05/01/2023    | 3,590,000  | 2 7500           | 9,872 50        |
|                | 05/01/2024    | 3,775,000  | 2 7500           | 10,381 25       |
|                | 05/01/2025    | 3,970,000  | 2 7500           | 10,917 50       |
|                | 05/01/2026    | 4,170,000  | 2 7500           | 11,467 50       |
|                | 05/01/2027    | 4,385,000  | 2 7500           | 12,058 75       |
|                | 05/01/2028    | 4,610,000  | 2 7500           | 12,677 50       |
|                | 05/01/2029    | 4,845,000  | 2 7500           | 13,323 75       |
|                | 05/01/2030    | 5,095,000  | 2 7500           | 14,011 25       |
|                | 05/01/2031    | 5,355,000  | 2 7500           | 14,726 25       |
|                | 05/01/2032    | 5,630,000  | 2 7500           | 15,482 50       |
|                | 05/01/2033    | 5,920,000  | 2 7500           | 16,280 00       |
|                | 05/01/2034    | 6,165,000  | 2 7500           | 16,953 75       |
|                |               | 67,265,000 | 2 7500           | 184,978 75      |

## UNDERWRITER'S DISCOUNT

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Underwriter's Discount | \$/1000 | Amount     |
|------------------------|---------|------------|
| Average Takedown       | 2.75000 | 184,978.75 |
| Structuring            | 2.00000 | 134,530.00 |
| Underwriter's Counsel  | 1.00000 | 67,265.00  |
| Prepaid Book Running   | 0.06728 | 4,525.91   |
| Prepaid Order Monitor  | 0.03266 | 2,197.04   |
| Prepaid Wire Charges   | 0.00267 | 179.64     |
| DTC Charges            | 0.01189 | 800.00     |
| CUSIP                  | 0.00743 | 500.00     |
| CUSIP Disclosure Fee   | 0.00052 | 35.00      |
| Miscellaneous          | 0.01487 | 1,000.00   |
|                        | 5.88733 | 396,011.34 |

## COST OF ISSUANCE

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Cost of Issuance                             | \$/1000 | Amount     |
|--|---------|------------|
| Barclay Damon(Bond Counsel)                  | 1 85832 | 125,000 00 |
| Trespasz & Marquardt (SJSCB's Counsel)       | 0 96633 | 65,000 00  |
| Trustee (M&T)                                | 0 08177 | 5,500 00   |
| Trustee's Counsel (Hodgson Russ)             | 0 11893 | 8,000 00   |
| Bonadio (Auditor)                            | 0 08920 | 6,000 00   |
| Financial Advisor (Capital Markets Advisors) | 0.89199 | 60,000 00  |
| Moody's                                      | 0 63926 | 43,000 00  |
| S&P Global                                   | 0 53520 | 36,000 00  |
| Fitch Ratings                                | 0 59466 | 40,000 00  |
| MBBA   | 0 14867 | 10,000 00  |
| MBBA's Financial Advisor                     | 0 14867 | 10,000 00  |
| Printer (ImageMaster)                        | 0 07433 | 5,000 00   |
| Miscellaneous                                | 0 05203 | 3,500 00   |
|  | 6 19936 | 417,000 00 |

## SOURCES AND USES OF FUNDS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources:

|   |                      |
|---|----------------------|
| Bond Proceeds:                                |                      |
| Par Amount                                    | 18,830,000.00        |
| Net Premium                                   | 2,665,170.45         |
|   | <u>21,495,170.45</u> |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 17,778.55            |
| SCSD Contribution for BAN Principal Repayment | 145,572.92           |
|   | <u>163,351.47</u>    |
|   | <u>21,658,521.92</u> |

## Uses:

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494.12         |
| Deposit to Series 2018A Project Account        | 17,912,617.54        |
|  | <u>19,989,111.66</u> |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778.55            |
| BAN Principal Repayment from SCSD Contribution | 145,572.92           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461.94         |
|  | <u>1,190,813.41</u>  |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 116,733.98           |
| Underwriter's Discount                         | 110,858.45           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854.42           |
| SIDA Fee (\$5 per Bond)                        | 94,150.00            |
|  | <u>478,596.85</u>    |
|  | <u>21,658,521.92</u> |



BOND PRICING

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 865,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 63,145.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 915,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 91,866.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 960,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 117,993.60          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,000,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 144,960.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,060,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 176,521.80          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,100,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 198,946.00          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,155,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 227,107.65          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,240,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 229,697.60          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,275,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 228,977.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,355,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 231,420.45          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,440,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 235,641.60          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,510,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 241,131.90          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,575,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 247,779.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,640,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 251,576.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,740,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -21,593.40          | 2.750    |
|                |               |           | 18,830,000 |        |        |           |                   |            |            | 2,665,170.45        |          |

Dated Date 03/15/2018  
 Delivery Date 03/15/2018  
 First Coupon 11/01/2018

Par Amount 18,830,000.00  
 Premium 2,665,170.45

Production 21,495,170.45 114.153853%  
 Underwriter's Discount -110,858.45 -0.588733%

Purchase Price 21,384,312.00 113.565119%  
 Accrued Interest

Net Proceeds 21,384,312.00

## BOND DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest     | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|--------------|---------------|------------------------|
| 11/01/2018       |            |        | 571,936 94   | 571,936 94    | 571,936 94             |
| 05/01/2019       |            |        | 455,525 00   | 455,525 00    |                        |
| 11/01/2019       |            |        | 455,525 00   | 455,525 00    | 911,050 00             |
| 05/01/2020       | 865,000    | 5 000% | 455,525 00   | 1,320,525 00  |                        |
| 11/01/2020       |            |        | 433,900 00   | 433,900 00    | 1,754,425 00           |
| 05/01/2021       | 915,000    | 5 000% | 433,900 00   | 1,348,900 00  |                        |
| 11/01/2021       |            |        | 411,025 00   | 411,025 00    | 1,759,925 00           |
| 05/01/2022       | 960,000    | 5 000% | 411,025 00   | 1,371,025 00  |                        |
| 11/01/2022       |            |        | 387,025 00   | 387,025 00    | 1,758,050 00           |
| 05/01/2023       | 1,000,000  | 5 000% | 387,025 00   | 1,387,025 00  |                        |
| 11/01/2023       |            |        | 362,025 00   | 362,025 00    | 1,749,050 00           |
| 05/01/2024       | 1,060,000  | 5 000% | 362,025 00   | 1,422,025 00  |                        |
| 11/01/2024       |            |        | 335,525 00   | 335,525 00    | 1,757,550 00           |
| 05/01/2025       | 1,100,000  | 5 000% | 335,525 00   | 1,435,525 00  |                        |
| 11/01/2025       |            |        | 308,025 00   | 308,025 00    | 1,743,550 00           |
| 05/01/2026       | 1,155,000  | 5 000% | 308,025 00   | 1,463,025 00  |                        |
| 11/01/2026       |            |        | 279,150 00   | 279,150 00    | 1,742,175 00           |
| 05/01/2027       | 1,240,000  | 5 000% | 279,150 00   | 1,519,150 00  |                        |
| 11/01/2027       |            |        | 248,150 00   | 248,150 00    | 1,767,300 00           |
| 05/01/2028       | 1,275,000  | 5 000% | 248,150 00   | 1,523,150 00  |                        |
| 11/01/2028       |            |        | 216,275 00   | 216,275 00    | 1,739,425 00           |
| 05/01/2029       | 1,355,000  | 5 000% | 216,275 00   | 1,571,275 00  |                        |
| 11/01/2029       |            |        | 182,400 00   | 182,400 00    | 1,753,675 00           |
| 05/01/2030       | 1,440,000  | 5 000% | 182,400 00   | 1,622,400 00  |                        |
| 11/01/2030       |            |        | 146,400 00   | 146,400 00    | 1,768,800 00           |
| 05/01/2031       | 1,510,000  | 5 000% | 146,400 00   | 1,656,400 00  |                        |
| 11/01/2031       |            |        | 108,650 00   | 108,650 00    | 1,765,050 00           |
| 05/01/2032       | 1,575,000  | 5 000% | 108,650 00   | 1,683,650 00  |                        |
| 11/01/2032       |            |        | 69,275 00    | 69,275 00     | 1,752,925 00           |
| 05/01/2033       | 1,640,000  | 5.000% | 69,275 00    | 1,709,275 00  |                        |
| 11/01/2033       |            |        | 28,275 00    | 28,275 00     | 1,737,550 00           |
| 05/01/2034       | 1,740,000  | 3.250% | 28,275 00    | 1,768,275 00  |                        |
| 11/01/2034       |            |        |              |               | 1,768,275 00           |
|                  | 18,830,000 |        | 8,970,711 94 | 27,800,711 94 | 27,800,711 94          |

## NET DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 571,936 94   | 571,936 94            | 571,936 94  |                     |                   |
| 05/01/2019 |            |        | 455,525 00   | 455,525 00            | 455,525 00  |                     |                   |
| 11/01/2019 |            |        | 455,525 00   | 455,525 00            |   | 455,525             | 455,525           |
| 05/01/2020 | 865,000    | 5 000% | 455,525 00   | 1,320,525 00          |   | 1,320,525           |                   |
| 11/01/2020 |            |        | 433,900 00   | 433,900 00            |   | 433,900             | 1,754,425         |
| 05/01/2021 | 915,000    | 5 000% | 433,900 00   | 1,348,900 00          |   | 1,348,900           |                   |
| 11/01/2021 |            |        | 411,025 00   | 411,025 00            |   | 411,025             | 1,759,925         |
| 05/01/2022 | 960,000    | 5 000% | 411,025 00   | 1,371,025 00          |   | 1,371,025           |                   |
| 11/01/2022 |            |        | 387,025 00   | 387,025 00            |   | 387,025             | 1,758,050         |
| 05/01/2023 | 1,000,000  | 5 000% | 387,025 00   | 1,387,025 00          |   | 1,387,025           |                   |
| 11/01/2023 |            |        | 362,025 00   | 362,025 00            |   | 362,025             | 1,749,050         |
| 05/01/2024 | 1,060,000  | 5 000% | 362,025 00   | 1,422,025 00          |   | 1,422,025           |                   |
| 11/01/2024 |            |        | 335,525 00   | 335,525 00            |   | 335,525             | 1,757,550         |
| 05/01/2025 | 1,100,000  | 5 000% | 335,525 00   | 1,435,525 00          |   | 1,435,525           |                   |
| 11/01/2025 |            |        | 308,025 00   | 308,025 00            |   | 308,025             | 1,743,550         |
| 05/01/2026 | 1,155,000  | 5 000% | 308,025 00   | 1,463,025 00          |   | 1,463,025           |                   |
| 11/01/2026 |            |        | 279,150 00   | 279,150 00            |   | 279,150             | 1,742,175         |
| 05/01/2027 | 1,240,000  | 5 000% | 279,150 00   | 1,519,150 00          |   | 1,519,150           |                   |
| 11/01/2027 |            |        | 248,150 00   | 248,150 00            |   | 248,150             | 1,767,300         |
| 05/01/2028 | 1,275,000  | 5 000% | 248,150 00   | 1,523,150 00          |   | 1,523,150           |                   |
| 11/01/2028 |            |        | 216,275 00   | 216,275 00            |   | 216,275             | 1,739,425         |
| 05/01/2029 | 1,355,000  | 5 000% | 216,275 00   | 1,571,275 00          |   | 1,571,275           |                   |
| 11/01/2029 |            |        | 182,400 00   | 182,400 00            |   | 182,400             | 1,753,675         |
| 05/01/2030 | 1,440,000  | 5 000% | 182,400 00   | 1,622,400 00          |   | 1,622,400           |                   |
| 11/01/2030 |            |        | 146,400 00   | 146,400 00            |   | 146,400             | 1,768,800         |
| 05/01/2031 | 1,510,000  | 5 000% | 146,400 00   | 1,656,400 00          |   | 1,656,400           |                   |
| 11/01/2031 |            |        | 108,650 00   | 108,650 00            |   | 108,650             | 1,765,050         |
| 05/01/2032 | 1,575,000  | 5 000% | 108,650 00   | 1,683,650 00          |   | 1,683,650           |                   |
| 11/01/2032 |            |        | 69,275 00    | 69,275 00             |   | 69,275              | 1,752,925         |
| 05/01/2033 | 1,640,000  | 5 000% | 69,275 00    | 1,709,275 00          |   | 1,709,275           |                   |
| 11/01/2033 |            |        | 28,275 00    | 28,275 00             |   | 28,275              | 1,737,550         |
| 05/01/2034 | 1,740,000  | 3 250% | 28,275 00    | 1,768,275 00          |   | 1,768,275           |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,768,275         |
|            | 18,830,000 |        | 8,970,711 94 | 27,800,711 94         | 1,027,461 94  | 26,773,250          | 26,773,250        |

## BOND SUMMARY STATISTICS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2 644747%     |
| True Interest Cost (TIC)          | 3 132505%     |
| Net Interest Cost (NIC)           | 3 390686%     |
| All-In TIC                        | 3 350144%     |
| Average Coupon                    | 4 740488%     |
| Average Life (years)              | 10 050        |
| Weighted Average Maturity (years) | 10 012        |
| Duration of Issue (years)         | 8 121         |
| Par Amount                        | 18,830,000 00 |
| Bond Proceeds                     | 21,495,170 45 |
| Total Interest                    | 8,970,711.94  |
| Net Interest                      | 6,416,399.94  |
| Total Debt Service                | 27,800,711.94 |
| Maximum Annual Debt Service       | 1,768,800 00  |
| Average Annual Debt Service       | 1,723,778 21  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2 750000      |
| Other Fee                         | 3 137331      |
| Total Underwriter's Discount      | 5 887331      |
| Bid Price                         | 113 565119    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 18,830,000 00 | 114 154 | 4 740%         | 10 050       | 13,905 75         |
|                | 18,830,000 00 |         |                | 10 050       | 13,905 75         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 18,830,000.00 | 18,830,000 00 | 18,830,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,665,170 45  | 2,665,170 45  | 2,665,170 45    |
| - Underwriter's Discount   | -110,858 45   | -110,858 45   |                 |
| - Cost of Issuance Expense |               | -116,733.98   |                 |
| - Other Amounts            |               | -251,004 42   |                 |
| Target Value               | 21,384,312 00 | 21,016,573 60 | 21,495,170 45   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3 132505%     | 3 350144%     | 2 644747%       |

## SOURCES AND USES OF FUNDS

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| <b>Bond Proceeds</b>                          |                      |
| Par Amount                                    | 19,800,000 00        |
| Net Premium                                   | <u>2,808,185 95</u>  |
|   | 22,608,185 95        |
| <b>Other Sources of Funds</b>                 |                      |
| SCSD Contribution for BAN Interest Repayment  | 18,688 15            |
| SCSD Contribution for BAN Principal Repayment | <u>153,020 83</u>    |
|   | 171,708 98           |
|   | <u>22,779,894.93</u> |

## Uses

|  |                      |
|--|----------------------|
| <b>Project Fund Deposits</b>                   |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,182,733 36         |
| Deposit to Series 2018A Project Account        | <u>18,841,522 56</u> |
|  | 21,024,255 92        |
| <b>Other Fund Deposits</b>                     |                      |
| BAN Interest Repayment from SCSD Contribution  | 18,688 15            |
| BAN Principal Repayment from SCSD Contribution | 153,020 83           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,080,678.96</u>  |
|  | 1,252,387 94         |
| <b>Delivery Date Expenses</b>                  |                      |
| Cost of Issuance                               | 122,747 35           |
| Underwriter's Discount                         | 116,569 17           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 164,934 55           |
| SIDA Fee (\$5 per Bond)                        | <u>99,000 00</u>     |
|  | 503,251 07           |
|  | <u>22,779,894.93</u> |

BOND PRICING

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 900,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 65,700.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 950,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 95,380.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 995,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 122,295.45          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,065,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 154,382.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,100,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 183,183.00          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,170,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 211,606.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,240,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 243,821.20          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,285,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 238,033.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,375,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 246,936.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,440,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 245,937.60          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,510,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 247,096.40          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,560,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 249,116.40          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,640,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 258,004.80          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,755,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 269,217.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,815,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -22,524.15          | 2.750    |
|                |               |           | 19,800,000 |        |        |           |                   |            |            | 2,808,185.95        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 19,800,000.00 |             |
| Premium                | 2,808,185.95  |             |
| Production             | 22,608,185.95 | 114.182757% |
| Underwriter's Discount | -116,569.17   | -0.588733%  |
| Purchase Price         | 22,491,616.78 | 113.594024% |
| Accrued Interest       |               |             |
| Net Proceeds           | 22,491,616.78 |             |

## BOND DEBT SERVICE

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018; Preliminary, subject to change

Dated Date 03/15/2018  
Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest     | Debt Service  | Annual Debt Service |
|---------------|------------|--------|--------------|---------------|---------------------|
| 11/01/2018    |            |        | 601,560.21   | 601,560.21    | 601,560.21          |
| 05/01/2019    |            |        | 479,118.75   | 479,118.75    |                     |
| 11/01/2019    |            |        | 479,118.75   | 479,118.75    | 958,237.50          |
| 05/01/2020    | 900,000    | 5.000% | 479,118.75   | 1,379,118.75  |                     |
| 11/01/2020    |            |        | 456,618.75   | 456,618.75    | 1,835,737.50        |
| 05/01/2021    | 950,000    | 5.000% | 456,618.75   | 1,406,618.75  |                     |
| 11/01/2021    |            |        | 432,868.75   | 432,868.75    | 1,839,487.50        |
| 05/01/2022    | 995,000    | 5.000% | 432,868.75   | 1,427,868.75  |                     |
| 11/01/2022    |            |        | 407,993.75   | 407,993.75    | 1,835,862.50        |
| 05/01/2023    | 1,065,000  | 5.000% | 407,993.75   | 1,472,993.75  |                     |
| 11/01/2023    |            |        | 381,368.75   | 381,368.75    | 1,854,362.50        |
| 05/01/2024    | 1,100,000  | 5.000% | 381,368.75   | 1,481,368.75  |                     |
| 11/01/2024    |            |        | 353,868.75   | 353,868.75    | 1,835,237.50        |
| 05/01/2025    | 1,170,000  | 5.000% | 353,868.75   | 1,523,868.75  |                     |
| 11/01/2025    |            |        | 324,618.75   | 324,618.75    | 1,848,487.50        |
| 05/01/2026    | 1,240,000  | 5.000% | 324,618.75   | 1,564,618.75  |                     |
| 11/01/2026    |            |        | 293,618.75   | 293,618.75    | 1,858,237.50        |
| 05/01/2027    | 1,285,000  | 5.000% | 293,618.75   | 1,578,618.75  |                     |
| 11/01/2027    |            |        | 261,493.75   | 261,493.75    | 1,840,112.50        |
| 05/01/2028    | 1,375,000  | 5.000% | 261,493.75   | 1,636,493.75  |                     |
| 11/01/2028    |            |        | 227,118.75   | 227,118.75    | 1,863,612.50        |
| 05/01/2029    | 1,440,000  | 5.000% | 227,118.75   | 1,667,118.75  |                     |
| 11/01/2029    |            |        | 191,118.75   | 191,118.75    | 1,858,237.50        |
| 05/01/2030    | 1,510,000  | 5.000% | 191,118.75   | 1,701,118.75  |                     |
| 11/01/2030    |            |        | 153,368.75   | 153,368.75    | 1,854,487.50        |
| 05/01/2031    | 1,560,000  | 5.000% | 153,368.75   | 1,713,368.75  |                     |
| 11/01/2031    |            |        | 114,368.75   | 114,368.75    | 1,827,737.50        |
| 05/01/2032    | 1,640,000  | 5.000% | 114,368.75   | 1,754,368.75  |                     |
| 11/01/2032    |            |        | 73,368.75    | 73,368.75     | 1,827,737.50        |
| 05/01/2033    | 1,755,000  | 5.000% | 73,368.75    | 1,828,368.75  |                     |
| 11/01/2033    |            |        | 29,493.75    | 29,493.75     | 1,857,862.50        |
| 05/01/2034    | 1,815,000  | 3.250% | 29,493.75    | 1,844,493.75  |                     |
| 11/01/2034    |            |        |              |               | 1,844,493.75        |
|               | 19,800,000 |        | 9,441,491.46 | 29,241,491.46 | 29,241,491.46       |

## NET DEBT SERVICE

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 601,560 21   | 601,560 21            | 601,560 21  |                     |                   |
| 05/01/2019 |            |        | 479,118 75   | 479,118 75            | 479,118 75  |                     |                   |
| 11/01/2019 |            |        | 479,118 75   | 479,118 75            |   | 479,118 75          | 479,118 75        |
| 05/01/2020 | 900,000    | 5 000% | 479,118 75   | 1,379,118 75          |   | 1,379,118 75        |                   |
| 11/01/2020 |            |        | 456,618 75   | 456,618 75            |   | 456,618 75          | 1,835,737 50      |
| 05/01/2021 | 950,000    | 5 000% | 456,618 75   | 1,406,618 75          |   | 1,406,618 75        |                   |
| 11/01/2021 |            |        | 432,868 75   | 432,868 75            |   | 432,868 75          | 1,839,487 50      |
| 05/01/2022 | 995,000    | 5 000% | 432,868 75   | 1,427,868 75          |   | 1,427,868 75        |                   |
| 11/01/2022 |            |        | 407,993 75   | 407,993 75            |   | 407,993 75          | 1,835,862 50      |
| 05/01/2023 | 1,065,000  | 5 000% | 407,993 75   | 1,472,993 75          |   | 1,472,993 75        |                   |
| 11/01/2023 |            |        | 381,368 75   | 381,368 75            |   | 381,368 75          | 1,854,362 50      |
| 05/01/2024 | 1,100,000  | 5 000% | 381,368 75   | 1,481,368 75          |   | 1,481,368 75        |                   |
| 11/01/2024 |            |        | 353,868 75   | 353,868 75            |   | 353,868 75          | 1,835,237 50      |
| 05/01/2025 | 1,170,000  | 5 000% | 353,868 75   | 1,523,868 75          |   | 1,523,868 75        |                   |
| 11/01/2025 |            |        | 324,618 75   | 324,618 75            |   | 324,618 75          | 1,848,487 50      |
| 05/01/2026 | 1,240,000  | 5 000% | 324,618 75   | 1,564,618 75          |   | 1,564,618 75        |                   |
| 11/01/2026 |            |        | 293,618 75   | 293,618 75            |   | 293,618 75          | 1,858,237 50      |
| 05/01/2027 | 1,285,000  | 5 000% | 293,618 75   | 1,578,618 75          |   | 1,578,618 75        |                   |
| 11/01/2027 |            |        | 261,493 75   | 261,493 75            |   | 261,493 75          | 1,840,112 50      |
| 05/01/2028 | 1,375,000  | 5 000% | 261,493 75   | 1,636,493 75          |   | 1,636,493 75        |                   |
| 11/01/2028 |            |        | 227,118 75   | 227,118 75            |   | 227,118 75          | 1,863,612 50      |
| 05/01/2029 | 1,440,000  | 5 000% | 227,118 75   | 1,667,118 75          |   | 1,667,118 75        |                   |
| 11/01/2029 |            |        | 191,118 75   | 191,118 75            |   | 191,118 75          | 1,858,237 50      |
| 05/01/2030 | 1,510,000  | 5 000% | 191,118 75   | 1,701,118 75          |   | 1,701,118 75        |                   |
| 11/01/2030 |            |        | 153,368 75   | 153,368 75            |   | 153,368 75          | 1,854,487 50      |
| 05/01/2031 | 1,560,000  | 5 000% | 153,368 75   | 1,713,368 75          |   | 1,713,368 75        |                   |
| 11/01/2031 |            |        | 114,368 75   | 114,368 75            |   | 114,368 75          | 1,827,737 50      |
| 05/01/2032 | 1,640,000  | 5 000% | 114,368 75   | 1,754,368 75          |   | 1,754,368 75        |                   |
| 11/01/2032 |            |        | 73,368 75    | 73,368 75             |   | 73,368 75           | 1,827,737 50      |
| 05/01/2033 | 1,755,000  | 5 000% | 73,368 75    | 1,828,368 75          |   | 1,828,368 75        |                   |
| 11/01/2033 |            |        | 29,493 75    | 29,493 75             |   | 29,493 75           | 1,857,862 50      |
| 05/01/2034 | 1,815,000  | 3 250% | 29,493 75    | 1,844,493 75          |   | 1,844,493 75        |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,844,493 75      |
|            | 19,800,000 |        | 9,441,491 46 | 29,241,491 46         | 1,080,678 96  | 28,160,812 50       | 28,160,812 50     |



## BOND SUMMARY STATISTICS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132008%     |
| Net Interest Cost (NIC)           | 3.390619%     |
| All-In TIC                        | 3.349494%     |
| Average Coupon                    | 4.742681%     |
| Average Life (years)              | 10.054        |
| Weighted Average Maturity (years) | 10.016        |
| Duration of Issue (years)         | 8.125         |
| Par Amount                        | 19,800,000.00 |
| Bond Proceeds                     | 22,608,185.95 |
| Total Interest                    | 9,441,491.46  |
| Net Interest                      | 6,749,874.68  |
| Total Debt Service                | 29,241,491.46 |
| Maximum Annual Debt Service       | 1,863,612.50  |
| Average Annual Debt Service       | 1,813,113.49  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137332      |
| Total Underwriter's Discount      | 5.887332      |
| Bid Price                         | 113.594024    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 19,800,000.00 | 114.183 | 4.743%         | 10.054       | 14,630.70         |
|                | 19,800,000.00 |         |                | 10.054       | 14,630.70         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 19,800,000.00 | 19,800,000.00 | 19,800,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,808,185.95  | 2,808,185.95  | 2,808,185.95    |
| - Underwriter's Discount   | -116,569.17   | -116,569.17   |                 |
| - Cost of Issuance Expense |               | -122,747.35   |                 |
| - Other Amounts            |               | -263,934.55   |                 |
| Target Value               | 22,491,616.78 | 22,104,934.88 | 22,608,185.95   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132008%     | 3.349494%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                     |
|---|---------------------|
| Bond Proceeds.                                |                     |
| Par Amount                                    | 6,215,000 00        |
| Net Premium                                   | <u>880,862 75</u>   |
|   | 7,095,862 75        |
| Other Sources of Funds                        |                     |
| SCSD Contribution for BAN Interest Repayment  | 5,871 06            |
| SCSD Contribution for BAN Principal Repayment | <u>48,072 92</u>    |
|   | 53,943 98           |
|   | <u>7,149,806 73</u> |

## Uses:

|  |                     |
|--|---------------------|
| Project Fund Deposits                          |                     |
| BAN Principal Repayment from Bond Proceeds     | 685,725.79          |
| Deposit to Series 2018A Project Account        | <u>5,913,063 35</u> |
|  | 6,598,789 14        |
| Other Fund Deposits                            |                     |
| BAN Interest Repayment from SCSD Contribution  | 5,871 06            |
| BAN Principal Repayment from SCSD Contribution | 48,072 92           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>339,108 68</u>   |
|  | 393,052 66          |
| Delivery Date Expenses                         |                     |
| Cost of Issuance                               | 38,529 04           |
| Underwriter's Discount                         | 36,589 77           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 51,771 12           |
| SIDA Fee (\$5 per Bond)                        | <u>31,075 00</u>    |
|  | 157,964 93          |
|  | <u>7,149,806 73</u> |

BOND PRICING

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount    | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|-----------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |           |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 285,000   | 5 000% | 1 500% | 107.300   |                   |            |            | 20,805 00           | 2 750    |
|                | 05/01/2021    | 871683CV8 | 295,000   | 5 000% | 1 690% | 110 040   |                   |            |            | 29,618 00           | 2 750    |
|                | 05/01/2022    | 871683CW6 | 310,000   | 5 000% | 1 890% | 112 291   |                   |            |            | 38,102 10           | 2 750    |
|                | 05/01/2023    | 871683CX4 | 325,000   | 5 000% | 2 010% | 114 496   |                   |            |            | 47,112 00           | 2 750    |
|                | 05/01/2024    | 871683CY2 | 345,000   | 5 000% | 2 090% | 116 653   |                   |            |            | 57,452 85           | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 365,000   | 5 000% | 2 240% | 118 086   |                   |            |            | 66,013 90           | 2 750    |
|                | 05/01/2026    | 871683DA3 | 390,000   | 5 000% | 2 330% | 119 663   |                   |            |            | 76,685 70           | 2 750    |
|                | 05/01/2027    | 871683DB1 | 410,000   | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 75,948 40           | 2 750    |
|                | 05/01/2028    | 871683DC9 | 430,000   | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 77,223 70           | 2 750    |
|                | 05/01/2029    | 871683DD7 | 455,000   | 5 000% | 2 650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 77,709.45           | 2 750    |
|                | 05/01/2030    | 871683DE5 | 465,000   | 5 000% | 2 740% | 116 364 C | 3 347%            | 05/01/2026 | 100 000    | 76,092.60           | 2 750    |
|                | 05/01/2031    | 871683DF2 | 500,000   | 5 000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100 000    | 79,845 00           | 2 750    |
|                | 05/01/2032    | 871683DG0 | 515,000   | 5 000% | 2 820% | 115 732 C | 3 572%            | 05/01/2026 | 100 000    | 81,019 80           | 2 750    |
|                | 05/01/2033    | 871683DH8 | 550,000   | 5 000% | 2 870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 84,370 00           | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 575,000   | 3 250% | 3 350% | 98 759    |                   |            |            | -7,135 75           | 2 750    |
|                |               |           | 6,215,000 |        |        |           |                   |            |            | 880,862.75          |          |

|                        |              |             |
|------------------------|--------------|-------------|
| Dated Date             | 03/15/2018   |             |
| Delivery Date          | 03/15/2018   |             |
| First Coupon           | 11/01/2018   |             |
| Par Amount             | 6,215,000 00 |             |
| Premium                | 880,862 75   |             |
| Production             | 7,095,862 75 | 114 173174% |
| Underwriter's Discount | -36,589 77   | -0 588733%  |
| Purchase Price         | 7,059,272 98 | 113 584441% |
| Accrued Interest       |              |             |
| Net Proceeds           | 7,059,272 98 |             |

## BOND DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal | Coupon | Interest     | Debt Service | Annual<br>Debt Service |
|------------------|-----------|--------|--------------|--------------|------------------------|
| 11/01/2018       |           |        | 188,764.93   | 188,764.93   | 188,764.93             |
| 05/01/2019       |           |        | 150,343.75   | 150,343.75   |                        |
| 11/01/2019       |           |        | 150,343.75   | 150,343.75   | 300,687.50             |
| 05/01/2020       | 285,000   | 5.000% | 150,343.75   | 435,343.75   |                        |
| 11/01/2020       |           |        | 143,218.75   | 143,218.75   | 578,562.50             |
| 05/01/2021       | 295,000   | 5.000% | 143,218.75   | 438,218.75   |                        |
| 11/01/2021       |           |        | 135,843.75   | 135,843.75   | 574,062.50             |
| 05/01/2022       | 310,000   | 5.000% | 135,843.75   | 445,843.75   |                        |
| 11/01/2022       |           |        | 128,093.75   | 128,093.75   | 573,937.50             |
| 05/01/2023       | 325,000   | 5.000% | 128,093.75   | 453,093.75   |                        |
| 11/01/2023       |           |        | 119,968.75   | 119,968.75   | 573,062.50             |
| 05/01/2024       | 345,000   | 5.000% | 119,968.75   | 464,968.75   |                        |
| 11/01/2024       |           |        | 111,343.75   | 111,343.75   | 576,312.50             |
| 05/01/2025       | 365,000   | 5.000% | 111,343.75   | 476,343.75   |                        |
| 11/01/2025       |           |        | 102,218.75   | 102,218.75   | 578,562.50             |
| 05/01/2026       | 390,000   | 5.000% | 102,218.75   | 492,218.75   |                        |
| 11/01/2026       |           |        | 92,468.75    | 92,468.75    | 584,687.50             |
| 05/01/2027       | 410,000   | 5.000% | 92,468.75    | 502,468.75   |                        |
| 11/01/2027       |           |        | 82,218.75    | 82,218.75    | 584,687.50             |
| 05/01/2028       | 430,000   | 5.000% | 82,218.75    | 512,218.75   |                        |
| 11/01/2028       |           |        | 71,468.75    | 71,468.75    | 583,687.50             |
| 05/01/2029       | 455,000   | 5.000% | 71,468.75    | 526,468.75   |                        |
| 11/01/2029       |           |        | 60,093.75    | 60,093.75    | 586,562.50             |
| 05/01/2030       | 465,000   | 5.000% | 60,093.75    | 525,093.75   |                        |
| 11/01/2030       |           |        | 48,468.75    | 48,468.75    | 573,562.50             |
| 05/01/2031       | 500,000   | 5.000% | 48,468.75    | 548,468.75   |                        |
| 11/01/2031       |           |        | 35,968.75    | 35,968.75    | 584,437.50             |
| 05/01/2032       | 515,000   | 5.000% | 35,968.75    | 550,968.75   |                        |
| 11/01/2032       |           |        | 23,093.75    | 23,093.75    | 574,062.50             |
| 05/01/2033       | 550,000   | 5.000% | 23,093.75    | 573,093.75   |                        |
| 11/01/2033       |           |        | 9,343.75     | 9,343.75     | 582,437.50             |
| 05/01/2034       | 575,000   | 3.250% | 9,343.75     | 584,343.75   |                        |
| 11/01/2034       |           |        |              |              | 584,343.75             |
|                  | 6,215,000 |        | 2,967,421.18 | 9,182,421.18 | 9,182,421.18           |

## NET DEBT SERVICE

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|-----------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |           |        | 188,764.93   | 188,764.93            | 188,764.93  |                     |                   |
| 05/01/2019 |           |        | 150,343.75   | 150,343.75            | 150,343.75  |                     |                   |
| 11/01/2019 |           |        | 150,343.75   | 150,343.75            |   | 150,343.75          | 150,343.75        |
| 05/01/2020 | 285,000   | 5.000% | 150,343.75   | 435,343.75            |   | 435,343.75          |                   |
| 11/01/2020 |           |        | 143,218.75   | 143,218.75            |   | 143,218.75          | 578,562.50        |
| 05/01/2021 | 295,000   | 5.000% | 143,218.75   | 438,218.75            |   | 438,218.75          |                   |
| 11/01/2021 |           |        | 135,843.75   | 135,843.75            |   | 135,843.75          | 574,062.50        |
| 05/01/2022 | 310,000   | 5.000% | 135,843.75   | 445,843.75            |   | 445,843.75          |                   |
| 11/01/2022 |           |        | 128,093.75   | 128,093.75            |   | 128,093.75          | 573,937.50        |
| 05/01/2023 | 325,000   | 5.000% | 128,093.75   | 453,093.75            |   | 453,093.75          |                   |
| 11/01/2023 |           |        | 119,968.75   | 119,968.75            |   | 119,968.75          | 573,062.50        |
| 05/01/2024 | 345,000   | 5.000% | 119,968.75   | 464,968.75            |   | 464,968.75          |                   |
| 11/01/2024 |           |        | 111,343.75   | 111,343.75            |   | 111,343.75          | 576,312.50        |
| 05/01/2025 | 365,000   | 5.000% | 111,343.75   | 476,343.75            |   | 476,343.75          |                   |
| 11/01/2025 |           |        | 102,218.75   | 102,218.75            |   | 102,218.75          | 578,562.50        |
| 05/01/2026 | 390,000   | 5.000% | 102,218.75   | 492,218.75            |   | 492,218.75          |                   |
| 11/01/2026 |           |        | 92,468.75    | 92,468.75             |   | 92,468.75           | 584,687.50        |
| 05/01/2027 | 410,000   | 5.000% | 92,468.75    | 502,468.75            |   | 502,468.75          |                   |
| 11/01/2027 |           |        | 82,218.75    | 82,218.75             |   | 82,218.75           | 584,687.50        |
| 05/01/2028 | 430,000   | 5.000% | 82,218.75    | 512,218.75            |   | 512,218.75          |                   |
| 11/01/2028 |           |        | 71,468.75    | 71,468.75             |   | 71,468.75           | 583,687.50        |
| 05/01/2029 | 455,000   | 5.000% | 71,468.75    | 526,468.75            |   | 526,468.75          |                   |
| 11/01/2029 |           |        | 60,093.75    | 60,093.75             |   | 60,093.75           | 586,562.50        |
| 05/01/2030 | 465,000   | 5.000% | 60,093.75    | 525,093.75            |   | 525,093.75          |                   |
| 11/01/2030 |           |        | 48,468.75    | 48,468.75             |   | 48,468.75           | 573,562.50        |
| 05/01/2031 | 500,000   | 5.000% | 48,468.75    | 548,468.75            |   | 548,468.75          |                   |
| 11/01/2031 |           |        | 35,968.75    | 35,968.75             |   | 35,968.75           | 584,437.50        |
| 05/01/2032 | 515,000   | 5.000% | 35,968.75    | 550,968.75            |   | 550,968.75          |                   |
| 11/01/2032 |           |        | 23,093.75    | 23,093.75             |   | 23,093.75           | 574,062.50        |
| 05/01/2033 | 550,000   | 5.000% | 23,093.75    | 573,093.75            |   | 573,093.75          |                   |
| 11/01/2033 |           |        | 9,343.75     | 9,343.75              |   | 9,343.75            | 582,437.50        |
| 05/01/2034 | 575,000   | 3.250% | 9,343.75     | 584,343.75            |   | 584,343.75          |                   |
| 11/01/2034 |           |        |              |                       |   |                     | 584,343.75        |
|            | 6,215,000 |        | 2,967,421.18 | 9,182,421.18          | 339,108.68  | 8,843,312.50        | 8,843,312.50      |

## BOND SUMMARY STATISTICS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |              |
|-----------------------------------|--------------|
| Dated Date                        | 03/15/2018   |
| Delivery Date                     | 03/15/2018   |
| First Coupon                      | 11/01/2018   |
| Last Maturity                     | 05/01/2034   |
| Arbitrage Yield                   | 2.644747%    |
| True Interest Cost (TIC)          | 3.133599%    |
| Net Interest Cost (NIC)           | 3.391928%    |
| All-In TIC                        | 3.350800%    |
| Average Coupon                    | 4.740733%    |
| Average Life (years)              | 10.071       |
| Weighted Average Maturity (years) | 10.033       |
| Duration of Issue (years)         | 8.136        |
| Par Amount                        | 6,215,000.00 |
| Bond Proceeds                     | 7,095,862.75 |
| Total Interest                    | 2,967,421.18 |
| Net Interest                      | 2,123,148.20 |
| Total Debt Service                | 9,182,421.18 |
| Maximum Annual Debt Service       | 586,562.50   |
| Average Annual Debt Service       | 569,354.40   |
| Underwriter's Fees (per \$1000)   |              |
| Average Takedown                  | 2.750000     |
| Other Fee                         | 3.137332     |
| Total Underwriter's Discount      | 5.887332     |
| Bid Price                         | 113.584441   |

| Bond Component | Par Value    | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 6,215,000.00 | 114.173 | 4.741%         | 10.071       | 4,598.45          |
|                | 6,215,000.00 |         |                | 10.071       | 4,598.45          |

|                            | TIC          | All-In TIC   | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value                  | 6,215,000.00 | 6,215,000.00 | 6,215,000.00    |
| + Accrued Interest         |              |              |                 |
| + Premium (Discount)       | 880,862.75   | 880,862.75   | 880,862.75      |
| - Underwriter's Discount   | -36,589.77   | -36,589.77   |                 |
| - Cost of Issuance Expense |              | -38,529.04   |                 |
| - Other Amounts            |              | -82,846.12   |                 |
| Target Value               | 7,059,272.98 | 6,937,897.82 | 7,095,862.75    |
| Target Date                | 03/15/2018   | 03/15/2018   | 03/15/2018      |
| Yield                      | 3.133599%    | 3.350800%    | 2.644747%       |

## SOURCES AND USES OF FUNDS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds.                                |                      |
| Par Amount                                    | 22,420,000 00        |
| Net Premium                                   | 3,178,289 50         |
|   | <u>25,598,289 50</u> |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 21,168 88            |
| SCSD Contribution for BAN Principal Repayment | 173,333 33           |
|   | <u>194,502 21</u>    |
|   | <u>25,792,791 71</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,472,476 73         |
| Deposit to Series 2018A Project Account        | 21,331,894 06        |
|  | <u>23,804,370 79</u> |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 21,168 88            |
| BAN Principal Repayment from SCSD Contribution | 173,333 33           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,224,075 90         |
|  | <u>1,418,578 11</u>  |
| Delivery Date Expenses:                        |                      |
| Cost of Issuance                               | 138,989 63           |
| Underwriter's Discount                         | 131,993 95           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 186,759 23           |
| SIDA Fee (\$5 per Bond)                        | 112,100 00           |
|  | <u>569,842 81</u>    |
|  | <u>25,792,791 71</u> |

BOND PRICING

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price   | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|---------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |         |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 1,040,000  | 5.000% | 1.500% | 107.300 |                   |            |            | 75,920.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 1,090,000  | 5.000% | 1.690% | 110.040 |                   |            |            | 109,436.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 1,150,000  | 5.000% | 1.890% | 112.291 |                   |            |            | 141,346.50          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,200,000  | 5.000% | 2.010% | 114.496 |                   |            |            | 173,952.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,270,000  | 5.000% | 2.090% | 116.653 |                   |            |            | 211,493.10          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,335,000  | 5.000% | 2.240% | 118.086 |                   |            |            | 241,448.10          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,385,000  | 5.000% | 2.330% | 119.663 |                   |            |            | 272,332.55          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,450,000  | 5.000% | 2.470% | 118.524 | 2.697%            | 05/01/2026 | 100.000    | 268,598.00          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,530,000  | 5.000% | 2.540% | 117.959 | 2.937%            | 05/01/2026 | 100.000    | 274,772.70          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,595,000  | 5.000% | 2.650% | 117.079 | 3.167%            | 05/01/2026 | 100.000    | 272,410.05          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,680,000  | 5.000% | 2.740% | 116.364 | 3.347%            | 05/01/2026 | 100.000    | 274,915.20          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,785,000  | 5.000% | 2.790% | 115.969 | 3.474%            | 05/01/2026 | 100.000    | 285,046.65          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,900,000  | 5.000% | 2.820% | 115.732 | 3.572%            | 05/01/2026 | 100.000    | 298,908.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,975,000  | 5.000% | 2.870% | 115.340 | 3.669%            | 05/01/2026 | 100.000    | 302,965.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 2,035,000  | 3.250% | 3.350% | 98.759  |                   |            |            | -25,254.35          | 2.750    |
|                |               |           | 22,420,000 |        |        |         |                   |            |            | 3,178,289.50        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 22,420,000.00 |             |
| Premium                | 3,178,289.50  |             |
| Production             | 25,598,289.50 | 114.176135% |
| Underwriter's Discount | -131,993.95   | -0.588733%  |
| Purchase Price         | 25,466,295.55 | 113.587402% |
| Accrued Interest       |               |             |
| Net Proceeds           | 25,466,295.55 |             |



## BOND DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 681,382 15    | 681,382 15    | 681,382 15          |
| 05/01/2019    |            |        | 542,693 75    | 542,693 75    |                     |
| 11/01/2019    |            |        | 542,693 75    | 542,693 75    | 1,085,387 50        |
| 05/01/2020    | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75  |                     |
| 11/01/2020    |            |        | 516,693 75    | 516,693 75    | 2,099,387 50        |
| 05/01/2021    | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75  |                     |
| 11/01/2021    |            |        | 489,443 75    | 489,443 75    | 2,096,137 50        |
| 05/01/2022    | 1,150,000  | 5 000% | 489,443 75    | 1,639,443 75  |                     |
| 11/01/2022    |            |        | 460,693 75    | 460,693 75    | 2,100,137 50        |
| 05/01/2023    | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75  |                     |
| 11/01/2023    |            |        | 430,693 75    | 430,693 75    | 2,091,387 50        |
| 05/01/2024    | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75  |                     |
| 11/01/2024    |            |        | 398,943 75    | 398,943 75    | 2,099,637 50        |
| 05/01/2025    | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75  |                     |
| 11/01/2025    |            |        | 365,568 75    | 365,568 75    | 2,099,512 50        |
| 05/01/2026    | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75  |                     |
| 11/01/2026    |            |        | 330,943 75    | 330,943 75    | 2,081,512 50        |
| 05/01/2027    | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75  |                     |
| 11/01/2027    |            |        | 294,693 75    | 294,693 75    | 2,075,637 50        |
| 05/01/2028    | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75  |                     |
| 11/01/2028    |            |        | 256,443 75    | 256,443 75    | 2,081,137 50        |
| 05/01/2029    | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75  |                     |
| 11/01/2029    |            |        | 216,568 75    | 216,568 75    | 2,068,012 50        |
| 05/01/2030    | 1,680,000  | 5.000% | 216,568 75    | 1,896,568 75  |                     |
| 11/01/2030    |            |        | 174,568 75    | 174,568 75    | 2,071,137 50        |
| 05/01/2031    | 1,785,000  | 5.000% | 174,568 75    | 1,959,568 75  |                     |
| 11/01/2031    |            |        | 129,943 75    | 129,943 75    | 2,089,512 50        |
| 05/01/2032    | 1,900,000  | 5.000% | 129,943 75    | 2,029,943 75  |                     |
| 11/01/2032    |            |        | 82,443 75     | 82,443 75     | 2,112,387 50        |
| 05/01/2033    | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75  |                     |
| 11/01/2033    |            |        | 33,068 75     | 33,068 75     | 2,090,512 50        |
| 05/01/2034    | 2,035,000  | 3 250% | 33,068 75     | 2,068,068 75  |                     |
| 11/01/2034    |            |        |               |               | 2,068,068 75        |
|               | 22,420,000 |        | 10,670,888 40 | 33,090,888 40 | 33,090,888 40       |

## NET DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 681,382.15    | 681,382.15            | 681,382.15  |                     |                   |
| 05/01/2019 |            |        | 542,693.75    | 542,693.75            | 542,693.75  |                     |                   |
| 11/01/2019 |            |        | 542,693.75    | 542,693.75            |   | 542,693.75          | 542,693.75        |
| 05/01/2020 | 1,040,000  | 5.000% | 542,693.75    | 1,582,693.75          |   | 1,582,693.75        |                   |
| 11/01/2020 |            |        | 516,693.75    | 516,693.75            |   | 516,693.75          | 2,099,387.50      |
| 05/01/2021 | 1,090,000  | 5.000% | 516,693.75    | 1,606,693.75          |   | 1,606,693.75        |                   |
| 11/01/2021 |            |        | 489,443.75    | 489,443.75            |   | 489,443.75          | 2,096,137.50      |
| 05/01/2022 | 1,150,000  | 5.000% | 489,443.75    | 1,639,443.75          |   | 1,639,443.75        |                   |
| 11/01/2022 |            |        | 460,693.75    | 460,693.75            |   | 460,693.75          | 2,100,137.50      |
| 05/01/2023 | 1,200,000  | 5.000% | 460,693.75    | 1,660,693.75          |   | 1,660,693.75        |                   |
| 11/01/2023 |            |        | 430,693.75    | 430,693.75            |   | 430,693.75          | 2,091,387.50      |
| 05/01/2024 | 1,270,000  | 5.000% | 430,693.75    | 1,700,693.75          |   | 1,700,693.75        |                   |
| 11/01/2024 |            |        | 398,943.75    | 398,943.75            |   | 398,943.75          | 2,099,637.50      |
| 05/01/2025 | 1,335,000  | 5.000% | 398,943.75    | 1,733,943.75          |   | 1,733,943.75        |                   |
| 11/01/2025 |            |        | 365,568.75    | 365,568.75            |   | 365,568.75          | 2,099,512.50      |
| 05/01/2026 | 1,385,000  | 5.000% | 365,568.75    | 1,750,568.75          |   | 1,750,568.75        |                   |
| 11/01/2026 |            |        | 330,943.75    | 330,943.75            |   | 330,943.75          | 2,081,512.50      |
| 05/01/2027 | 1,450,000  | 5.000% | 330,943.75    | 1,780,943.75          |   | 1,780,943.75        |                   |
| 11/01/2027 |            |        | 294,693.75    | 294,693.75            |   | 294,693.75          | 2,075,637.50      |
| 05/01/2028 | 1,530,000  | 5.000% | 294,693.75    | 1,824,693.75          |   | 1,824,693.75        |                   |
| 11/01/2028 |            |        | 256,443.75    | 256,443.75            |   | 256,443.75          | 2,081,137.50      |
| 05/01/2029 | 1,595,000  | 5.000% | 256,443.75    | 1,851,443.75          |   | 1,851,443.75        |                   |
| 11/01/2029 |            |        | 216,568.75    | 216,568.75            |   | 216,568.75          | 2,068,012.50      |
| 05/01/2030 | 1,680,000  | 5.000% | 216,568.75    | 1,896,568.75          |   | 1,896,568.75        |                   |
| 11/01/2030 |            |        | 174,568.75    | 174,568.75            |   | 174,568.75          | 2,071,137.50      |
| 05/01/2031 | 1,785,000  | 5.000% | 174,568.75    | 1,959,568.75          |   | 1,959,568.75        |                   |
| 11/01/2031 |            |        | 129,943.75    | 129,943.75            |   | 129,943.75          | 2,089,512.50      |
| 05/01/2032 | 1,900,000  | 5.000% | 129,943.75    | 2,029,943.75          |   | 2,029,943.75        |                   |
| 11/01/2032 |            |        | 82,443.75     | 82,443.75             |   | 82,443.75           | 2,112,387.50      |
| 05/01/2033 | 1,975,000  | 5.000% | 82,443.75     | 2,057,443.75          |   | 2,057,443.75        |                   |
| 11/01/2033 |            |        | 33,068.75     | 33,068.75             |   | 33,068.75           | 2,090,512.50      |
| 05/01/2034 | 2,035,000  | 3.250% | 33,068.75     | 2,068,068.75          |   | 2,068,068.75        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 2,068,068.75      |
|            | 22,420,000 |        | 10,670,888.40 | 33,090,888.40         | 1,224,075.90  | 31,866,812.50       | 31,866,812.50     |

## BOND SUMMARY STATISTICS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.131195%     |
| Net Interest Cost (NIC)           | 3.390143%     |
| All-In TIC                        | 3.349123%     |
| Average Coupon                    | 4.744625%     |
| Average Life (years)              | 10.031        |
| Weighted Average Maturity (years) | 9.995         |
| Duration of Issue (years)         | 8.109         |
| Par Amount                        | 22,420,000.00 |
| Bond Proceeds                     | 25,598,289.50 |
| Total Interest                    | 10,670,888.40 |
| Net Interest                      | 7,624,592.85  |
| Total Debt Service                | 33,090,888.40 |
| Maximum Annual Debt Service       | 2,112,387.50  |
| Average Annual Debt Service       | 2,051,794.66  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.587402    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 22,420,000.00 | 114.176 | 4.745%         | 10.031       | 16,525.40         |
|                | 22,420,000.00 |         |                | 10.031       | 16,525.40         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 22,420,000.00 | 22,420,000.00 | 22,420,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 3,178,289.50  | 3,178,289.50  | 3,178,289.50    |
| - Underwriter's Discount   | -131,993.95   | -131,993.95   |                 |
| - Cost of Issuance Expense |               | -138,989.63   |                 |
| - Other Amounts            |               | -298,859.23   |                 |
| Target Value               | 25,466,295.55 | 25,028,446.69 | 25,598,289.50   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.131195%     | 3.349123%     | 2.644747%       |

**GENERAL CERTIFICATE OF THE SYRACUSE  
JOINT SCHOOLS CONSTRUCTION BOARD**

This certificate is made in connection with the issuance by the City of Syracuse Industrial Development Agency (the "**Agency**") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Series 2018A Bonds**") pursuant to an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "**Indenture**") between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture.

In connection with the issuance of the Series 2018A Bonds, the Syracuse Joint Schools Construction Board (the "**JSCB**") executed and delivered the following:

- (a) The Program Manager Agreement, dated August 28, 2015, as same may have been amended, supplemented or modified from time to time, between the JSCB, on its own behalf and as agent for the City of Syracuse (the "**City**") and the City School District of the City of Syracuse (the "**SCSD**"), and Turner Construction Company;
- (b) Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), amendatory of that certain Installment Sale Agreement, (Series 2008 Project), dated as of March 1, 2008 ("**Original Agreement**") which was previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 ("**First Amended Agreement**"); Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**") and Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale Agreement**"), each among the Agency, the City, the SCSD, and the Joint School Construction Board (the "**JSCB**");
- (c) The Pledge and Assignment, dated as of March 1, 2018, by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;
- (d) The Bond Purchase Agreement, dated March 2, 2018 (the "**Purchase Contract**"), among the JSCB, the Agency and Raymond James (the "**Underwriters**");
- (e) The Continuing Disclosure Statement, dated March 15, 2018, by the JSCB on behalf of the City, the SCSD and itself to the Trustee;

- (f) The Arbitrage and Use of Proceeds Certificate, dated the date of delivery of the Series 2018A Bonds, executed by the City, the SCSD and the JSCB.

The documents listed in paragraphs (a) - (f) above together with all other documents and certificates executed and delivered by the JSCB in connection with the Series 2018A Project and the issuance of the Series 2018A Bonds are referred to herein collectively as the "**JSCB Documents.**"

For purposes of this certificate: (i) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; (ii) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign; and (iii) any term used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture or the Installment Sale Agreement, as applicable.

The undersigned, Chairperson of the JSCB, does hereby certify that:

1. I am the duly appointed Chairperson of the JSCB and am duly authorized to execute and deliver this certificate in the name and on behalf of the JSCB.
2. The JSCB is duly established pursuant to the Syracuse Schools Act and the Intermunicipal Agreement, and authorized to enter into the transactions contemplated by the Purchase Contract and the other JSCB Documents. The Intermunicipal Agreement remains in full force and effect as of the date hereof and has not been supplemented, amended or terminated. A true copy of the Intermunicipal Agreement is attached hereto as **Exhibit "A"**.
3. Each of Resolution No. 11 of 2006 adopted on November 30, 2006, by the JSCB, Resolution No. 2 of 2008 adopted on January 31, 2008, by the JSCB, Resolution No. 6 of 2008 adopted on February 14, 2008, by the JSCB, Resolution No 9 of 2008 adopted on February 28, 2008, by the JSCB, as amended by Resolution No. 10 of 2008 adopted on March 6, 2008, by the JSCB; Resolution No. 77 of 2010 adopted by the JSCB on September 23, 2010; Resolution No. 79 of 2010 adopted by the JSCB on October 7, 2010; Resolution No. 49-2011 adopted by the JSCB on June 16, 2011; Resolution No. 59-2015 adopted August 27, 2015, Resolution No. 11-2017 adopted by the JSCB on January 26, 2017; and Resolution No. 133 of 2017 adopted by the JSCB on September 28, 2017 (collectively the "**Resolutions**"), remain in full force and effect as of the date hereof and has not been supplemented, amended or repealed since their adoption. A true copy of each of the Resolutions is attached hereto as **Exhibit "B"**.

4. All actions on the part of the JSCB necessary or appropriate for execution and delivery of the JSCB Documents and issuance of the Series 2018A Bonds have been completed. All conditions precedent set forth in the Resolutions have occurred and have been satisfied, in each case for the execution and delivery of the JSCB Documents by the undersigned and the performance by the JSCB of its obligations under the JSCB Documents.
5. The execution and delivery of the JSCB Documents by the JSCB have been duly authorized by all necessary corporate, administrative and legislative action and, when executed and delivered, the JSCB Documents will constitute the valid and binding obligations of the JSCB enforceable against the JSCB in accordance with their terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and subject to general principles of equity, regardless of whether such enforceability is considered in equity or in law), and compliance with the provisions of all of them, under the circumstances contemplated thereby, did not, as of the date of the Purchase Contract, and does not at the Closing Date, in any material respect conflict with, or constitute on the part of the JSCB a breach of or default under, any agreement or other instrument to which the JSCB is a party or any existing law, administrative regulation, court order or consent decree to which the JSCB is subject.
6. The representations made by the JSCB in the Purchase Contract are true and correct in all material respects at and as of the Closing Date and each of the obligations of the JSCB under the Purchase Contract to be performed at or prior to the Closing Date have been performed.
7. The JSCB has received all necessary approvals, if any, from the New York State Education Department for the reconstruction, rehabilitation and equipping of the Series 2018A Project. The JSCB has received and there remain currently in full force and effect all other governmental consents and approvals necessary at this time which would constitute a condition precedent to, or the failure to obtain would materially adversely affect, the performance by the JSCB of its obligations under the JSCB Documents, except for those consents and approvals not yet received that the JSCB reasonably expects to receive in a timely manner.
8. No action, suit, proceeding or investigation is pending or (to the best of my knowledge) threatened against the JSCB or (to the best of my knowledge, no independent investigation having been made) any other person in any court or before any Court, governmental authority, legislative body, board, agency or commission: (a) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or any payments under the Installment Sale Agreement, or the transactions contemplated by the Purchase Contract or the other JSCB

Documents; or (b) in any way contesting or affecting the validity of the Series 2018A Bonds, or the validity or enforceability of the Purchase Contract or the other JSCB Documents or the transactions contemplated thereby; or (c) in any way contesting the corporate existence, powers or operations of the JSCB.

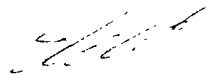
9. The JSCB is not in breach of, or in default under, any applicable law or administrative regulation of the State (including, without limitation, any applicable law or administrative rule or regulations of the New York State Commissioner of Education or the New York State Department of Education) or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the JSCB is, a party or otherwise subject, which breach or default would in any way materially and adversely affect the issuance of the Series 2018A Bonds or the intercept of state and/or school aid pursuant to the Syracuse Schools Act; and no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default; and the issuance, sale and delivery of the Series 2018A Bonds or the intercept of state and/or school aid pursuant to the Syracuse Schools Act will not conflict with or constitute a breach of or default under any agreement or other instrument to which the JSCB is a party or otherwise subject.
10. The Series 2018A Project, as described in the Preliminary Official Statement and the Final Official Statement, is in compliance with the Syracuse Schools Act.
11. The JSCB has received and there remains currently in full force and effect all permits, licenses, accreditations, and certifications necessary to conduct its business as it is presently being conducted, subject to minor exceptions and deficiencies that are not material and do not affect the conduct of its business.
12. No event of default or event which, with notice or lapse of time or both, would constitute an event of default under any of the JSCB Documents has occurred and is continuing.
13. The statements and information contained in the Preliminary Official Statement dated February 23, 2018, with respect to the Series 2018A Bonds (the "**Preliminary Official Statement**") and the Official Statement, dated March 2, 2018 (the "**Official Statement**"), relating to the Series 2018A Bonds under the headings, "INTRODUCTION - Purpose" and "-The Program and the Series 2018A Project," "THE PROGRAM AND THE SERIES 2018A PROJECT" and "PROGRAM PARTICIPANTS — The JSCB" do not, as of the date of the Purchase Contract and the Closing Date, contain any untrue statements, of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.

14. Other than as set forth in the Official Statement dated March 2, 2018, the JSCB has not failed during the previous five years to comply in all material respects with any of its undertakings in previous written continuing disclosure contracts or agreements under Rule 15c2-12.
15. I hereby designate David DelVecchio to be an Authorized Officer and Authorized Representative of the JSCB authorized and directed to do and cause to be done any acts and things, to execute and deliver the JSCB Documents, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the JSCB Documents, as he determines may be necessary or desirable to consummate the transactions contemplated by the Resolutions. The signature appearing adjacent to the name of such person is his genuine signature.

NAME

SIGNATURE

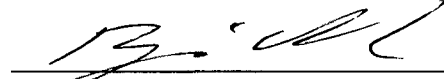
David DelVecchio

  
\_\_\_\_\_



WITNESS, the 15<sup>th</sup> day of March, 2018.

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

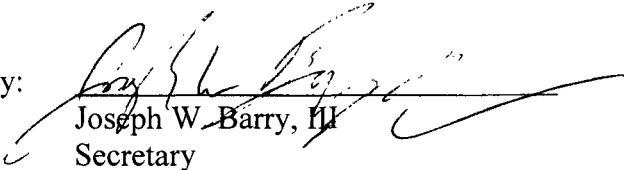
By:   
\_\_\_\_\_  
Benjamin Walsh  
Chairperson

The undersigned, the Secretary of the Syracuse Joint Schools Construction Board, does hereby certify that:

1. Benjamin Walsh is the duly elected Chairperson of the Syracuse Joint Schools Construction Board and that such person is, on and as of the date hereof, the duly elected and acting Chairman of the Syracuse Joint Schools Construction Board and the signature appearing above the name of such person is his genuine signature.
2. Attached hereto as **Exhibit "C"** is a true, correct and complete copy of the by-laws of the JSCB, together with all amendments thereto or modifications thereof and said by-laws, as so amended and modified, are in full force and effect in accordance with their terms as of the date of this Certificate.

**SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD**

By:

  
Joseph W. Barry, III  
Secretary

Dated: March 15<sup>th</sup>, 2018

**EXHIBIT "A"**  
**INTERMUNICIPAL AGREEMENT**

**City of Syracuse**

**CITY CLERK'S OFFICE**

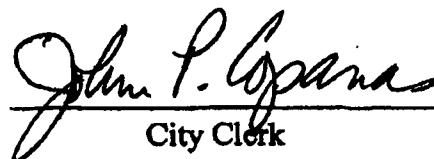
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

April 12, 2004

Approved by the Mayor on

April 14, 2004

  
City Clerk

TO:

Mayor  
Assessment Commissioner  
Aviation Commissioner  
Board of Elections  
Bureau of Accounts  
Citizen Review Board  
City Auditor  
City School District  
Code Enforcement  
Community Development Comm.  
Community Services  
Corporation Counsel  
Development Director  
Department of Engineering  
Governor of New York State  
New York State Senate  
New York State Assembly  
New York State Senator  
New York State Assembly person

Management & Budget Director  
Parks & Recreation Commissioner  
Personnel & Labor Relations Dir.  
Police Chief  
Public Works Commissioner  
Public Works/Bookkeeper  
Purchase Department  
Real Estate Division  
Research Director  
Water Department  
Zoning Administration  
United States Senator  
United States Congressperson  
Finance Commissioner  
Finance/Treasury  
Finance (Water Bureau)  
Fire Chief  
Grants Management Director  
Onondaga County Legislature

Ordinance No. 134

2004

**ORDINANCE AUTHORIZING AGREEMENT  
WITH THE SYRACUSE CITY SCHOOL  
DISTRICT FOR THE CREATION OF A JOINT  
SCHOOL CONSTRUCTION BOARD**

BE IT ORDAINED, subject to the approval of the Mayor, that the Mayor be and he is hereby authorized to enter into an agreement with the Syracuse City School District for the creation of a Joint School Construction Board; and

BE IT FURTHER ORDAINED, that the agreement creating the Joint School Construction Board will be in substantially the same form as the agreement on file with the City Clerk; and

BE IT FURTHER ORDAINED, that said agreement shall contain such other terms and conditions as the Corporation Counsel shall deem in the best interest of the City of Syracuse.

## SYRACUSE JOINT SCHOOL CONSTRUCTION AGREEMENT

This Agreement dated as of April 1, 2004 is between the City of Syracuse, a municipal corporation (the "City") and the City School District of the City of Syracuse (the "District") acting through the Board of Education of the District.

### WITNESSETH:

WHEREAS, the elementary and secondary schools of the District are in extremely poor condition and such deterioration is a serious impediment to learning and teaching; and

WHEREAS, it is desirable to improve the quality of education in the District by, among other things, renovating existing public schools in the District; and

WHEREAS, by Resolution No. 17-R of 2004, the City and by Board Resolution, the District have determined that it is in the best interest of the City and District to work cooperatively to coordinate such renovation; and

WHEREAS, the City and the District desire to establish a joint cooperative board (the "JSC Board") to manage and administer the design, renovation and financing of existing public schools in the District; and

WHEREAS, the City and the District intend jointly to propose legislation (the "Syracuse Schools Act") for enactment by the State of New York (the "State") to encourage the City and the District to undertake cooperatively new and innovative ways of renovating and financing public schools within the City including without limitation to authorize the JSC Board to enter into contracts in connection therewith on behalf of the City and the District; and

WHEREAS, the City and the District desire to provide for the appointment of the members of the JSC Board and its duties;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the District agree as follows:

1. Establishment of the JSC Board.

A. There is hereby established a joint cooperative board to be known as the "Syracuse Joint School Construction Board." The JSC Board shall be composed of eleven members, one of whom shall be the New York State Regent for the City (the "Regent Member"). The Regent Member shall be an ex officio, non-voting member of the JSC Board. The other ten members of the JSC Board shall consist of:

Superintendent of the District;  
Three members of the Board of Education appointed by the President of the Board of Education of the District;  
President of the City Common Council;

Two Common Councilors of the City Common Council appointed by the President of the City Common Council;  
Mayor of the City; and  
Two members appointed by the Mayor of the City.

B. Each member shall be appointed for a period of one year. Members shall be eligible to serve an unlimited number of consecutive terms. Members of the JSC Board shall receive no compensation for their services. The membership on the JSC Board of an incumbent in the official position of Superintendent, Mayor or President of the Common Council shall terminate upon the appointment or inauguration of his or her successor in such official position, which successor in such official position shall thereupon become the member of the JSC Board. If any member of the Board of Education or any Common Councilor is no longer serving as such member or Common Councilor, then the term of such person as a JSC Board member shall terminate upon appointment of a replacement JSC Board member by the President of the Board of Education or President of the City Common Council, as the case may be.

C. The Mayor shall be the Chairperson of the JSC Board and shall vote only in the event of a tie among the members. The JSC Board shall provide for the holding of regular meetings and such special meetings at the call of the Chairperson, as may be necessary. A majority of the whole number of voting members the JSC Board members shall constitute a quorum for the transaction of business. The powers of the JSC Board shall be vested in and exercised by a majority of the whole number of voting members thereof.

2. Powers and Duties of the JSC Board.

A. The JSC Board shall utilize the resources and staff of the District and the City to the fullest extent practicable and permitted by the Syracuse Schools Act and applicable law to expedite the reconstruction of existing public schools pursuant to a plan and schedule established by the District Board of Education and to collaboratively seek funds, services and comprehensive development proposals from outside agencies and educational institutions. The JSC Board shall have access to the staff and resources of the City and District including but not limited to the Corporation Counsel's office, professional and technical assistance by planning experts, engineers, architects and any other staff as may be necessary and the premises, personnel, equipment and personal property of the City and the District.

B. The primary purpose of public school facilities shall be educational. JSC Board shall manage and administer its powers and duties in accordance with such primary purpose and with the secondary purpose that such sites may also serve multiple purposes including but not limited to education and community based services.

C. As authorized by the Syracuse Schools Act, the JSC Board shall enter into contracts on behalf of the City and the District for the renovation of the existing public schools in accordance with the Syracuse Schools Act and applicable State and local law.

D. The JSC Board shall manage and administer on behalf of the City and the District any comprehensive reconstruction program (each an "Approved Program") as authorized from time to time by the State Education Department and Syracuse Schools Act as it may be amended from time to time.

E. Promptly after appointment of the members, the JSC Board shall recommend to the District the projects for renovation of existing public schools to be included in the initial Approved Program and identified as such in the Syracuse Schools Act.

F. The JSC Board shall report to the City Common Council and the District Board of Education no less frequently than every six (6) months on the status of each reconstruction program and the projects, contracts and other activities of the JSC Board undertaken pursuant to this Agreement or the Syracuse Schools Act.

G. The JSC Board shall exercise such other and further powers and duties as may be conferred upon it by State law or by agreement of the City and the District.

3. Term. The JSC Board and this Agreement shall continue for a period of five (5) years or until completion of any renovation project undertaken by the JSC Board, whichever occurs first. The City and the District may renew this Agreement for an additional five (5) years. Upon termination or expiration of the term hereof, the JSC Board shall cease to exist and custody and control, if any, of projects and school buildings shall revert to the District and the City.

IN WITNESS WHEREOF, the City and the District have caused this Agreement to be executed on this \_\_ day of April, 2004.

ATTEST:

  
John P. Copanas  
City Clerk

CITY OF SYRACUSE

By:

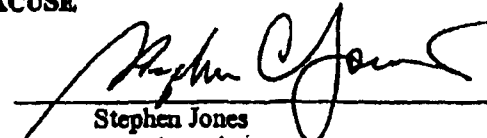
  
Matthew J. Driscoll  
Mayor

WITNESS:

\_\_\_\_\_

CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE

By:

  
Stephen Jones  
Superintendent



**EXHIBIT "B"**  
**RESOLUTIONS**

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 11 of 2006

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD EXPRESSING ITS INTENT TO FINANCE A PROJECT WITH THE PROCEEDS OF TAX-EXEMPT BONDS AND TO ALLOCATE A PORTION OF SUCH BOND PROCEEDS TO THE REIMBURSEMENT OF EXPENDITURES THAT MAY BE INCURRED PRIOR TO ISSUANCE OF SUCH BONDS.

The following resolution was offered by Councilor Bill Ryan, who moved its adoption, seconded by Commissioner Calvin Corcoran, to-wit:

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"), and

WHEREAS, the Internal Revenue Code of 1986, as amended and the regulations promulgated pursuant thereto require the JSCB to take this action in connection with the payment of certain expenses of the Project prior to the issuance of tax-exempt bonds, in order to allow the JSCB to be reimbursed for such expenditures.

NOW THEREFORE, BE IT RESOLVED, that;

1. The statements contained in this resolution with respect to the reimbursement of the expenditures described in this resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e).
2. The expenditures made from the JSCB's General Operating Fund or by the City or School District on behalf of the JSCB which are intended to be reimbursed pursuant to this Resolution have been incurred within 60 days prior to the date hereof (or earlier to the extent permitted under the applicable regulation) or will be incurred after the date hereof in connection with the Project.

3. The maximum principal amount of debt expected to be issued for the Project is approximately \$225,000,000. This figure includes allowances for a debt service reserve fund and debt issuance costs.
4. The JSCB reasonably expects to reimburse the expenditures set forth in this resolution with the proceeds of tax-exempt debt to be incurred by the JSCB subsequent to the date hereof, but this resolution does not constitute a binding obligation to issue such debt.
5. The resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

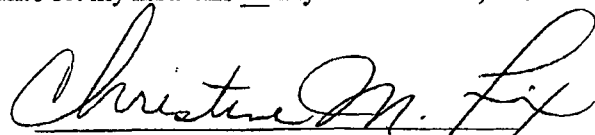
|                                  |        | <u>Non-voting Member</u> |
|----------------------------------|--------|--------------------------|
| Hon. Matthew J. Driscoll, Chair  |        |                          |
| Daniel G. Lowengard              | voting | Y                        |
| Hon. Calvin Corriders, Treasurer | voting | Y                        |
| Dr. Ruben P. Cowart              | voting | Y                        |
| Hon. Bea González                | voting | Y                        |
| Hon Nancy K. McCarty             | voting | Y                        |
| Hon. Laurie Menkin               | voting | Y                        |
| Kenneth Mokrzycki                | voting | Y                        |
| Hon. Van B. Robinson             | voting | Y                        |
| Hon. William M. Ryan             | voting | Y                        |

The resolution was declared adopted.

#### CERTIFICATE

I, Christine M. Fix, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on November 30, 2006 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

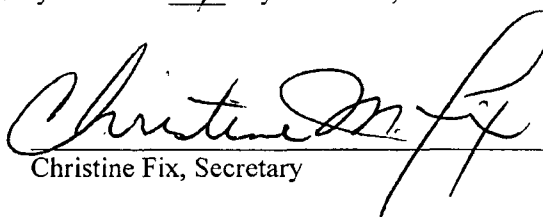
IN WITNESS WHEREOF, I have hereunto set my hand this \_\_ day of November, 2006.

  
 Christine M. Fix, JSCB Secretary

CERTIFICATE

I, Christine Fix, Secretary of the Joint Schools Construction Board, Syracuse, New York, HEREBY CERTIFY that the foregoing annexed Resolution from the minutes of a meeting of the Board, duly called and held on January 31, 2008 has been compared by me with the original Resolution as officially adopted and recorded in my office in the Minute Book of said Board and is a true, complete and correct copy thereof and of the whole of said original Resolution so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of March, 2008.

  
Christine Fix, Secretary

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 2 of 2008

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) DETERMINING THAT THE ACTION TO REHABILITATE, RECONSTRUCT AND MAKE ADDITIONS TO THE GREYSTONE BUILDING AND CENTRAL TECH VOCATIONAL CENTER WILL NOT HAVE A SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT AND AUTHORIZING THE JSCB SECRETARY TO ISSUE A NEGATIVE DECLARATION. IN ACCORDANCE WITH APPLICABLE LAW.

The following resolution was offered by Van Robinson, who moved its adoption, seconded by Ned Dewel, to-wit:

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the designing, reconstruction, improvement, remodeling, repairing, furnishing, addition to, and equipping of the Greystone Building and Central Tech Vocational Center of the City School District of the City of Syracuse (collectively, the "Project"), and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York (NYS DEC) promulgated thereunder (collectively "SEQRA") the JSCB is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the JSCB;

WHEREAS, the JSCB has requested that the Syracuse Industrial Development Agency (SIDA) provide the Project's financing in accordance with the Act and the JSCB's financial plan, to initially fund the rehabilitation, reconstruction and addition to the Greystone Building and Central Tech Vocational Center (the "Project");

WHEREAS, the (SIDA) Project bond issuance for this Greystone Building and Central Tech vocational center phase of the Project constitutes an action (the "Action") that requires a SEQRA determination;

WHEREAS, the City Engineer has prepared a Full Environmental Assessment Form ("FEAF") for the JSCB's review and consideration regarding the environmental impact of the Project (attached hereto as Appendix "A");

WHEREAS, the JSCB, pursuant to SEQRA has considered the significance of the potential environmental impacts of the of the Project by (a) using the criteria specified in Section 617.7 of the Regulations, and (b) examining the FEAF for the Project, together with other available supporting information, to identify the relevant areas of environmental concerns, and (c) thoroughly analyzing the identified areas of relevant environmental concern;

NOW THEREFORE, BE IT RESOLVED, that;

1. The JSCB hereby determines, based upon the an examination of the FEAF and other supporting information, and considering both the magnitude and importance of each relevant area of environmental concern, that the JSCB makes the following findings and determinations:
  - (A) The Project is described in Appendix "A"; and
  - (B) The Project constitutes a Type I Action pursuant to SEQRA; and
  - (C) No significant environmental impacts are noted in the FEAF for the Project and none are known to the JSCB. Therefore, the JSCB hereby determines that the Project will not have a significant adverse environmental impact, and the JSCB will not require the preparation of an environmental impact statement with respect to the Project; and
2. The JSCB, as a consequence of the aforementioned determination and in compliance with SEQRA, hereby directs the JSCB Secretary, with assistance as needed from the City Engineer, to prepare and publish a Negative Declaration for the Project in accordance with SEQRA.
3. The resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

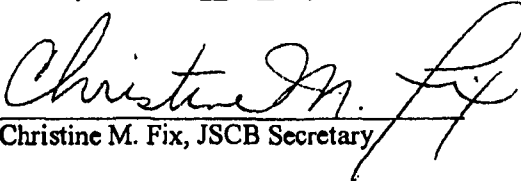
|                                  |        | Non-Voting Member |
|----------------------------------|--------|-------------------|
| Hon. Matthew J. Driscoll, Chair  |        |                   |
| Daniel G. Lowengard              | voting | <u>Absent</u>     |
| Hon. Calvin Corriders, Treasurer | voting | <u>Y</u>          |
| Dr. Ruben P. Cowart              | voting | <u>Y</u>          |
| Hon. Ned Deuel                   | voting | <u>Y</u>          |
| Hon. Bea González                | voting | <u>Absent</u>     |
| Hon. Laurie Menkin               | voting | <u>Absent</u>     |
| Kenneth Mokrzycki                | voting | <u>Y</u>          |
| Hon. Van B. Robinson             | voting | <u>Y</u>          |
| Hon. William M. Ryan             | voting | <u>Y</u>          |

The resolution was declared adopted.

#### CERTIFICATE

I, Christine M. Fix, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on January 31, 2008 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 31 day of January, 2008.

  
Christine M. Fix, JSCB Secretary

61723  
 Appendix A  
 State Environmental Quality Review  
 FULL ENVIRONMENTAL ASSESSMENT FORM

Purpose: The full EAF is designed to help applicants and agencies determine, in an orderly manner, whether a project or action may be significant. The question of whether an action may be significant is not always easy to answer. Frequently, there are aspects of a project that are subjective or unmeasurable. It is also understood that those who determine significance may have little or no formal knowledge of the environment or may not be technically expert in environmental analysis. In addition, many who have knowledge in one particular area may not be aware of the broader concerns affecting the question of significance.

The full EAF is intended to provide a method whereby applicants and agencies can be assured that the determination process has been orderly, comprehensive in nature, yet flexible enough to allow introduction of information to fit a project or action.

Full EAF Components: The full EAF is comprised of three parts:

- Part 1: Provides objective data and information about a given project and its site. By identifying basic project data, it assists a reviewer in the analysis that takes place in Parts 2 and 3.
- Part 2: Focuses on identifying the range of possible impacts that may occur from a project or action. It provides guidance as to whether an impact is likely to be considered small to moderate or whether it is a potentially-large impact. The form also identifies whether an impact can be mitigated or reduced.
- Part 3: If any impact in Part 2 is identified as potentially-large, then Part 3 is used to evaluate whether or not the impact is actually important.

**THIS AREA FOR LEAD AGENCY USE ONLY**

**DETERMINATION OF SIGNIFICANCE -- Type 1 and Unlisted Actions**

Identify the Portions of EAF completed for this project:  Part 1  Part 2  Part 3  
 Upon review of the information recorded on this EAF (Parts 1 and 2 and 3 if appropriate), and any other supporting information, and considering both the magnitude and importance of each impact, it is reasonably determined by the lead agency that:

- A. The project will not result in any large and important impact(s) and, therefore, is one which will not have a significant impact on the environment, therefore a negative declaration will be prepared.
- B. Although the project could have a significant effect on the environment, there will not be a significant effect for this Unlisted Action because the mitigation measures described in PART 3 have been required, therefore a CONDITIONED negative declaration will be prepared.\*
- C. The project may result in one or more large and important impacts that may have a significant impact on the environment, therefore a positive declaration will be prepared.

\*A Conditioned Negative Declaration is only valid for Unlisted Actions

Additions & Alterations to Graystone Building & Central Tech Vocational Center

Name of Action

Joint Schools Construction Board

Name of Lead Agency

Mary Robison

Print or Type Name of Responsible Officer in Lead Agency

Mary E. Robison  
 Signature of Responsible Officer in Lead Agency

City Engineer

Title of Responsible Officer

[Signature]  
 Signature of Preparer (if different from responsible officer)

12/17/07  
 Date



**PART 1--PROJECT INFORMATION**  
Prepared by Project Sponsor

NOTICE: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action Additions & Alterations to Greystone Building & Central Tech Vocational Center

Location of Action: (include Street Address, Municipality and County)

701 South Warren Street & 725 East Adams Street, Syracuse, Onondaga County

Name of Applicant/Sponsor Joint Schools Construction Board

Address 303 City Hall

City / PO Syracuse State New York Zip Code 13202

Business Telephone (315) 448-8005

Name of Owner (if different) N/A

Address N/A

City / PO N/A State N/A Zip Code N/A

Business Telephone N/A

Description of Action:

Interior and exterior renovations and reconstruction of the Greystone Building, including replacement of roofs and windows, construction of new classrooms, laboratories and offices with emphasis on the use of existing walls and doors wherever practicable; renovation of the auditorium and stage; installation of new mechanical, electrical and plumbing systems; and construction of a connecting link to the adjacent Central Tech Vocational Center.

Interior and exterior renovations to Central Tech Vocational Center including replacement of roofs and windows, renovations to existing classrooms and laboratories; construction of a new gymnasium, cafeteria and greenhouse; and replacement of mechanical, electrical and plumbing systems; selective repaving of driveways and parking areas; and construction of a connecting link to the adjacent Greystone Building.

Please Complete Each Question--Indicate N.A. if not applicable

**A SITE DESCRIPTION**

Physical setting of overall project, both developed and undeveloped areas

- 1 Present Land Use.  Urban  Industrial  Commercial  Residential (suburban)  Rural (non-farm)  
 Forest  Agriculture  Other \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2 Total acreage of project area: 9.3 acres.

| APPROXIMATE ACREAGE  | PRESENTLY        | AFTER COMPLETION |
|--|------------------|------------------|
| Meadow or Brushland (Non-agricultural)                     | <u>0</u> acres   | <u>0</u> acres   |
| Forested   | <u>0</u> acres   | <u>0</u> acres   |
| Agricultural (Includes orchards, cropland, pasture, etc.)  | <u>0</u> acres   | <u>0</u> acres   |
| Wetland (Freshwater or tidal as per Articles 24,25 of ECL) | <u>0</u> acres   | <u>0</u> acres   |
| Water Surface Area   | <u>0</u> acres   | <u>0</u> acres   |
| Unvegetated (Rock, earth or fill) (unpaved parking)        | <u>1.6</u> acres | <u>0</u> acres   |
| Roads, buildings and other paved surfaces                  | <u>4.4</u> acres | <u>6.0</u> acres |
| Other (Indicate type) <u>Lawn areas</u>                    | <u>3.3</u> acres | <u>3.3</u> acres |

3 What is predominant soil type(s) on project site?

- a. Soil drainage.  Well drained \_\_\_\_\_% of site  Moderately well drained 30% of site.  
 Poorly drained \_\_\_\_\_% of site Note: 70% of site cover by buildings or pavement
- b If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NYS Land Classification System? N/A acres (see 1 NYCRR 370).

4 Are there bedrock outcroppings on project site?  Yes  No

a What is depth to bedrock 6 +/- (in feet)

5 Approximate percentage of proposed project site with slopes:

- 0-10% 100%  10-15% \_\_\_\_\_%  15% or greater \_\_\_\_\_%

6. Is project substantially contiguous to, or contain a building, site, or district, listed on the State or National Registers of Historic Places?  Yes  No Graystone Building is listed on National Register

7 Is project substantially contiguous to a site listed on the Register of National Natural Landmarks?  Yes  No

8 What is the depth of the water table? 6 +/- (in feet)

9 Is site located over a primary, principal, or sole source aquifer?  Yes  No

10 Do hunting, fishing or shell fishing opportunities presently exist in the project area?  Yes  No

- 11 Does project site contain any species of plant or animal life that is identified as threatened or endangered?  Yes  No

According to

Site observations by Thomas Associates. Site is mostly buildings and paved areas with the rest comprised of lawn and unpaved parking.

Identify each species.

N.A.

12. Are there any unique or unusual land forms on the project site? (i.e., cliffs, dunes, other geological formations?)

Yes  No

Describe.

N.A.

- 13 Is the project site presently used by the community or neighborhood as an open space or recreation area?

Yes  No

If yes, explain:

N.A.

14. Does the present site include scenic views known to be important to the community?  Yes  No

N.A.

- 15 Streams within or contiguous to project area:

Onondaga Creek

a. Name of Stream and name of River to which it is tributary

Onondaga Creek to Onondaga Lake to Seneca River

- 16 Lakes, ponds, wetland areas within or contiguous to project area:

N.A.

b. Size (in acres).

N.A.

- 17 Is the site served by existing public utilities?  Yes  No
- a If YES does sufficient capacity exist to allow connection?  Yes  No
- b If YES will improvements be necessary to allow connection?  Yes  No
- 18 Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304?  Yes  No
- 19 Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL and 6 NYCRR 617?  Yes  No

20. Has the site ever been used for the disposal of solid or hazardous wastes?  Yes  No

B Project Description

1 Physical dimensions and scale of project (fill in dimensions as appropriate).

- a. Total contiguous acreage owned or controlled by project sponsor: 9.3 acres.
- b. Project acreage to be developed: 1.6 acres initially; 1.6 acres ultimately.
- c. Project acreage to remain undeveloped. 3.3 acres. (in the form of lawn areas to be maintained)
- d. Length of project, in miles: N/A (if appropriate)
- e. If the project is an expansion, indicate percent of expansion proposed. 6 %
- f. Number of off-street parking spaces existing 70; proposed 130
- g. Maximum vehicular trips generated per hour: +/-840 (upon completion of project)?
- h. If residential Number and type of housing units:

|            | One Family | Two Family | Multiple Family | Condominium |
|------------|------------|------------|-----------------|-------------|
| Initially  | <u>N/A</u> | <u>N/A</u> | <u>N/A</u>      | <u>N/A</u>  |
| Ultimately | <u>N/A</u> | <u>N/A</u> | <u>N/A</u>      | <u>N/A</u>  |

- i. Dimensions (in feet) of largest proposed structure: 30 height; 108 width; 120 length.
- j. Linear feet of frontage along a public thoroughfare project will occupy is? 1,240+/- ft.
- 2 How much natural material (i.e. rock, earth, etc.) will be removed from the site? \_\_\_\_\_ tons/cubic yards.
3. Will disturbed areas be reclaimed  Yes  No  N/A

a If yes, for what intended purpose is the site being reclaimed?

Additional educational spaces and associated parking areas

- b. Will topsoil be stockpiled for reclamation?  Yes  No
- c. Will upper subsoil be stockpiled for reclamation?  Yes  No
- 4 How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 0 acres.

5. Will any mature forest (over 100 years old) or other locally-important vegetation be removed by this project?

Yes  No

6. If single phase project. Anticipated period of construction. 23 months. (including demolition)

7. If multi-phased

a. Total number of phases anticipated N/A (number)

b. Anticipated date of commencement phase 1: N/A month N/A year. (including demolition)

c. Approximate completion date of final phase: N/A month N/A year.

d. Is phase 1 functionally dependent on subsequent phases?  Yes  No

8. Will blasting occur during construction?  Yes  No

9. Number of jobs generated during construction 200; after project is complete 0

10. Number of jobs eliminated by this project 0

11. Will project require relocation of any projects or facilities?  Yes  No

If yes, explain.

N/A

12. Is surface liquid waste disposal involved?  Yes  No

a. If yes, indicate type of waste (sewage, industrial, etc) and amount N/A

b. Name of water body into which effluent will be discharged N/A

13. Is subsurface liquid waste disposal involved?  Yes  No Type N/A

14. Will surface area of an existing water body increase or decrease by proposal?  Yes  No

If yes explain

N/A

15. Is project or any portion of project located in a 100 year flood plain?  Yes  No

16. Will the project generate solid waste?  Yes  No

a. If yes, what is the amount per month? +/-19.8 tons

b. If yes, will an existing solid waste facility be used?  Yes  No

c. If yes, give name Onondaga County R.R.A; location North Syracuse

d. Will any wastes not go into a sewage disposal system or into a sanitary landfill?  Yes  No

e. If yes explain:

N/A

17. Will the project involve the disposal of solid waste?  Yes  No

a. If yes, what is the anticipated rate of disposal? N/A tons/month.

b. If yes, what is the anticipated site life? N/A years.

18. Will project use herbicides or pesticides?  Yes  No

19. Will project routinely produce odors (more than one hour per day)?  Yes  No

20. Will project produce operating noise exceeding the local ambient noise levels?  Yes  No

21. Will project result in an increase in energy use?  Yes  No

If yes, indicate type(s)

electricity and natural gas

22. If water supply is from wells, indicate pumping capacity N/A gallons/minute.

23. Total anticipated water usage per day 13,500 gallons/day.

24. Does project involve Local, State or Federal funding?  Yes  No

If yes, explain:

funded by State of New York

23 Approvals Required

|                                  |   |  | Type                         | Submittal Date |
|----------------------------------|---|--|------------------------------|----------------|
| City/Town/Village Board          | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| City/Town/Village Planning Board | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| City/Town Zoning Board           | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| City/County Health Department    | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| Other Local Agencies             | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| Other Regional Agencies          | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
| State Agencies                   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | <u>SED - Building Permit</u> | _____          |
|                                  |   |  | <u>SED - Funding</u>         | _____          |
|                                  |   |  | <u>DEC - SPDES, SWPPP</u>    | _____          |
| Federal Agencies                 | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | _____                        | _____          |
|                                  |   |  | _____                        | _____          |
|                                  |   |  | _____                        | _____          |

C Zoning and Planning Information

1 Does proposed action involve a planning or zoning decision?  Yes  No

If Yes, indicate decision required:

- |   |   |  |                                      |
|---|---|--|--------------------------------------|
| <input type="checkbox"/> Zoning amendment | <input type="checkbox"/> Zoning variance    | <input type="checkbox"/> New/revision of master plan | <input type="checkbox"/> Subdivision |
| <input type="checkbox"/> Site plan        | <input type="checkbox"/> Special use permit | <input type="checkbox"/> Resource management plan    | <input type="checkbox"/> Other       |

2 What is the zoning classification(s) of the site?

Residential - B

3 What is the maximum potential development of the site if developed as permitted by the present zoning?

N/A

4 What is the proposed zoning of the site?

N/A

5 What is the maximum potential development of the site if developed as permitted by the proposed zoning?

N/A

6 Is the proposed action consistent with the recommended uses in adopted local land use plans?

Yes

No

N/A

7 What are the predominant land use(s) and zoning classifications within a ¼ mile radius of proposed action?

central city retail and office, light industrial, medium density residential, government offices, sports, cultural and entertainment uses

8 Is the proposed action compatible with adjoining/surrounding land uses with a ¼ mile?

Yes

No

9 If the proposed action is the subdivision of land, how many lots are proposed? N/A

a What is the minimum lot size proposed? N/A



10. Will proposed action require any authorization(s) for the formation of sewer or water districts?  Yes  No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)?

Yes  No

a. If yes, is existing capacity sufficient to handle projected demand?  Yes  No

N.A.

12. Will the proposed action result in the generation of traffic significantly above present levels?  Yes  No

a. If yes, is the existing road network adequate to handle the additional traffic.  Yes  No

N.A.

D. Informational Details

Attach any additional information as may be needed to clarify your project. If there are or may be any adverse impacts associated with your proposal, please discuss such impacts and the measures which you propose to mitigate or avoid them.

E. Verification

I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name Mary Robison Date 12/17/07

Signature *Mary E. Robison*

Title City Engineer

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.

**PART 2 - PROJECT IMPACTS AND THEIR MAGNITUDE**  
Responsibility of Lead Agency

**General Information - Read Carefully)**

in completing the form the reviewer should be guided by the question: Have my responses and determinations been reasonable? The reviewer is not expected to be an expert environmental analyst.

The Examples provided are to assist the reviewer by showing types of impacts and wherever possible the threshold of magnitude that would trigger a response in column 2. The examples are generally applicable throughout the State and for most situations. But, for any specific project or site other examples and/or lower thresholds may be appropriate for a Potential Large Impact response, thus requiring evaluation in Part 3.

The impacts of each project, on each site, in each locality, will vary. Therefore, the examples are illustrative and have been offered as guidance. They do not constitute an exhaustive list of impacts and thresholds to answer each question.

The number of examples per question does not indicate the importance of each question.

In identifying impacts, consider long term, short term and cumulative effects.

**Instructions (Read carefully)**

- a. Answer each of the 20 questions in PART 2. Answer **Yes** if there will be any impact
- b. **Maybe** answers should be considered as **Yes** answers.
- c. If answering **Yes** to a question then check the appropriate box(column 1 or 2)to indicate the potential size of the impact. If impact threshold equals or exceeds any example provided, check column 2. If impact will occur but threshold is lower than example, check column 1.
- d. Identifying that an Impact will be potentially large (column 2) does not mean that it is also necessarily **significant**. Any large impact must be evaluated in PART 3 to determine significance. Identifying an impact in column 2 simply asks that it be looked at further.
- e. If reviewer has doubt about size of the impact then consider the impact as potentially large and proceed to PART 3.
- f. If a potentially large impact checked in column 2 can be mitigated by change(s) in the project to a small to moderate impact, also check the **Yes** box in column 3. A **No** response indicates that such a reduction is not possible. This must be explained in Part 3.

|                                |                              |   |
|--------------------------------|------------------------------|---|
| 1                              | 2                            | 3   |
| Small to<br>Moderate<br>Impact | Potential<br>Large<br>Impact | Can Impact Be<br>Mitigated by<br>Project Change |

**Impact on Land**

1. Will the Proposed Action result in a physical change to the project site?

NO  YES

**Examples** that would apply to column 2

- |  |                                     |                          |                              |                             |
|--|-------------------------------------|--------------------------|------------------------------|-----------------------------|
| • Any construction on slopes of 15% or greater, (15 foot rise per 100 foot of length), or where the general slopes in the project area exceed 10%. | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction on land where the depth to the water table is less than 3 feet.   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction of paved parking area for 1,000 or more vehicles.   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction on land where bedrock is exposed or generally within 3 feet of existing ground surface.   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction that will continue for more than 1 year or involve more than one phase or stage.  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Excavation for mining purposes that would remove more than 1,000 tons of natural material (i.e., rock or soil) per year.                         | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

|   | 1<br>Small to<br>Moderate<br>Impact | 2<br>Potential<br>Large<br>Impact | 3<br>Can Impact Be<br>Mitigated by<br>Project Change     |
|---|-------------------------------------|-----------------------------------|--|
| • Construction or expansion of a sanitary landfill. | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction in a designated floodway             | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Expansion of existing building footprint            |                                     |                                   |  |

2 Will there be an effect to any unique or unusual land forms found on the site? (i.e. cliffs, dunes, geological formations, etc.)

NO  YES

|                        |                          |                          |  |
|------------------------|--------------------------|--------------------------|--|
| • Specific land forms: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|                        |                          |                          |  |

**Impact on Water**

3 Will Proposed Action affect any water body designated as protected? (Under Articles 15, 24, 25 of the Environmental Conservation Law, ECL)

NO  YES

Examples that would apply to column 2

|   |                          |                          |  |
|---|--------------------------|--------------------------|--|
| • Developable area of site contains a protected water body.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Dredging more than 100 cubic yards of material from channel of a protected stream | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Extension of utility distribution facilities through a protected water body.      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction in a designated freshwater or tidal wetland.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|   |                          |                          |  |

4 Will Proposed Action affect any non-protected existing or new body of water?

NO  YES

Examples that would apply to column 2

|  |                          |                          |  |
|--|--------------------------|--------------------------|--|
| • A 10% increase or decrease in the surface area of any body of water or more than a 10 acre increase or decrease. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction of a body of water that exceeds 10 acres of surface area.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|  |                          |                          |  |

1 Small to Moderate Impact  
 2 Potential Large Impact  
 3 Can Impact Be Mitigated by Project Change

5 Will Proposed Action affect surface or groundwater quality or quantity?

NO  YES

**Examples that would apply to column 2**

- Proposed Action will require a discharge permit.    Yes  No
- Proposed Action requires use of a source of water that does not have approval to serve proposed (project) action.    Yes  No
- Proposed Action requires water supply from wells with greater than 45 gallons per minute pumping capacity.    Yes  No
- Construction or operation causing any contamination of a water supply system.    Yes  No
- Proposed Action will adversely affect groundwater.    Yes  No
- Liquid effluent will be conveyed off the site to facilities which presently do not exist or have inadequate capacity.    Yes  No
- Proposed Action would use water in excess of 20,000 gallons per day.    Yes  No
- Proposed Action will likely cause siltation or other discharge into an existing body of water to the extent that there will be an obvious visual contrast to natural conditions.    Yes  No
- Proposed Action will require the storage of petroleum or chemical products greater than 1,100 gallons.    Yes  No
- Proposed Action will allow residential uses in areas without water and/or sewer services.    Yes  No
- Proposed Action locates commercial and/or industrial uses which may require new or expansion of existing waste treatment and/or storage facilities.    Yes  No
- Other impacts:    Yes  No

Slight increase in stormwater runoff due to increase in building footprint.

|                                |                              |   |
|--------------------------------|------------------------------|---|
| 1                              | 2                            | 3   |
| Small to<br>Moderate<br>Impact | Potential<br>Large<br>Impact | Can Impact Be<br>Mitigated by<br>Project Change |

6 Will Proposed Action alter drainage flow or patterns, or surface water runoff?

NO  YES

Examples that would apply to column 2

- |  |                                     |                          |                              |                             |
|--|-------------------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action would change flood water flows                   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action may cause substantial erosion.                   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action is incompatible with existing drainage patterns. | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow development in a designated floodway. | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Modification of on-site stormwater flow patterns

**IMPACT ON AIR**

7 Will Proposed Action affect air quality?

NO  YES

Examples that would apply to column 2

- |   |                          |                          |                              |                             |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action will induce 1,000 or more vehicle trips in any given hour   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will result in the incineration of more than 1 ton of refuse per hour   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Emission rate of total contaminants will exceed 5 lbs. per hour or a heat source producing more than 10 million BTU's per hour. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow an increase in the amount of land committed to industrial use  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow an increase in the density of industrial development within existing industrial areas.               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**IMPACT ON PLANTS AND ANIMALS**

8 Will Proposed Action affect any threatened or endangered species?

NO  YES

Examples that would apply to column 2

- |   |                          |                          |                              |                             |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Reduction of one or more species listed on the New York or Federal list, using the site, over or near the site, or found on the site. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|

|   | 1<br>Small to<br>Moderate<br>Impact | 2<br>Potential<br>Large<br>Impact | 3<br>Can Impact Be<br>Mitigated by<br>Project Change     |
|---|-------------------------------------|-----------------------------------|--|
| • Removal of any portion of a critical or significant wildlife habitat                                | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Application of pesticide or herbicide more than twice a year, other than for agricultural purposes. | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|   |                                     |                                   |  |

9 Will Proposed Action substantially affect non-threatened or non-endangered species?  
 NO  YES

**Examples that would apply to column 2**

|   |                          |                          |  |
|---|--------------------------|--------------------------|--|
| • Proposed Action would substantially interfere with any resident or migratory fish, shellfish or wildlife species.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action requires the removal of more than 10 acres of mature forest (over 100 years of age) or other locally important vegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|   |                          |                          |  |

**IMPACT ON AGRICULTURAL LAND RESOURCES**

10 Will Proposed Action affect agricultural land resources?  
 NO  YES

**Examples that would apply to column 2**

|  |                          |                          |  |
|--|--------------------------|--------------------------|--|
| • The Proposed Action would sever, cross or limit access to agricultural land (includes cropland, hayfields, pasture, vineyard, orchard, etc.)                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction activity would excavate or compact the soil profile of agricultural land.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • The Proposed Action would irreversibly convert more than 10 acres of agricultural land or, if located in an Agricultural District, more than 2.5 acres of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

|  | 1<br>Small to<br>Moderate<br>Impact | 2<br>Potential<br>Large<br>Impact | 3<br>Can Impact Be<br>Mitigated by<br>Project Change     |
|--|-------------------------------------|-----------------------------------|--|
| • The Proposed Action would disrupt or prevent installation of agricultural land management systems (e.g., subsurface drain lines, outlet ditches, strip cropping); or create a need for such measures (e.g. cause a farm field to drain poorly due to increased runoff) | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:   | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|  |                                     |                                   |  |

**IMPACT ON AESTHETIC RESOURCES**

11 Will Proposed Action affect aesthetic resources? (If necessary, use the Visual EAF Addendum in Section 617.20, Appendix B.)

NO  YES

Examples that would apply to column 2

|   |                          |                          |  |
|---|--------------------------|--------------------------|--|
| • Proposed land uses, or project components obviously different from or in sharp contrast to current surrounding land use patterns, whether man-made or natural.                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed land uses, or project components visible to users of aesthetic resources which will eliminate or significantly reduce their enjoyment of the aesthetic qualities of that resource. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Project components that will result in the elimination or significant screening of scenic views known to be important to the area   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**IMPACT ON HISTORIC AND ARCHAEOLOGICAL RESOURCES**

12 Will Proposed Action impact any site or structure of historic, prehistoric or paleontological importance?

NO  YES

Examples that would apply to column 2

|   |                                     |                          |  |
|---|-------------------------------------|--------------------------|--|
| • Proposed Action occurring wholly or partially within or substantially contiguous to any facility or site listed on the State or National Register of historic places. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Any impact to an archaeological site or fossil bed located within the project site.   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will occur in an area designated as sensitive for archaeological sites on the NYS Site Inventory.   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

|  |                                |                              |   |  |
|--|--------------------------------|------------------------------|---|--|
|  | 1                              | 2                            | 3   |  |
|  | Small to<br>Moderate<br>Impact | Potential<br>Large<br>Impact | Can Impact Be<br>Mitigated by<br>Project Change |  |

|                  |                          |                          |                              |                             |
|------------------|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|                  |                          |                          |                              |                             |

**IMPACT ON OPEN SPACE AND RECREATION**

13 Will proposed Action affect the quantity or quality of existing or future open spaces or recreational opportunities?

NO     YES

Examples that would apply to column 2

|   |                          |                          |                              |                             |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • The permanent foreclosure of a future recreational opportunity. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A major reduction of an open space important to the community.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**IMPACT ON CRITICAL ENVIRONMENTAL AREAS**

14 Will Proposed Action impact the exceptional or unique characteristics of a critical environmental area (CEA) established pursuant to subdivision 6NYCRR 617.14(g)?

NO     YES

List the environmental characteristics that caused the designation of the CEA.

Examples that would apply to column 2

|   |                          |                          |                              |                             |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action to locate within the CEA?                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quantity of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quality of the resource?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will impact the use, function or enjoyment of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



|                                |                              |   |
|--------------------------------|------------------------------|---|
| 1                              | 2                            | 3   |
| Small to<br>Moderate<br>Impact | Potential<br>Large<br>Impact | Can Impact Be<br>Mitigated by<br>Project Change |

**IMPACT ON TRANSPORTATION**

15 Will there be an effect to existing transportation systems?

NO  YES

Examples that would apply to column 2

- |  |                                     |                          |                              |                             |
|--|-------------------------------------|--------------------------|------------------------------|-----------------------------|
| • Alteration of present patterns of movement of people and/or goods. | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will result in major traffic problems.             | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Reopening of Greystone Building may lead to minor alterations in vehicular and pedestrian movement

**IMPACT ON ENERGY**

16 Will Proposed Action affect the community's sources of fuel or energy supply?

NO  YES

Examples that would apply to column 2

- |   |                          |                          |                              |                             |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action will cause a greater than 5% increase in the use of any form of energy in the municipality.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will require the creation or extension of an energy transmission or supply system to serve more than 50 single or two family residences or to serve a major commercial or industrial use. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**NOISE AND ODOR IMPACT**

17 Will there be objectionable odors, noise, or vibration as a result of the Proposed Action?

NO  YES

Examples that would apply to column 2

- |  |                                     |                          |                              |                             |
|--|-------------------------------------|--------------------------|------------------------------|-----------------------------|
| • Blasting within 1,500 feet of a hospital, school or other sensitive facility.  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Odors will occur routinely (more than one hour per day).   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will produce operating noise exceeding the local ambient noise levels for noise outside of structures. | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will remove natural barriers that would act as a noise screen.   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts:   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Noise commonly associated with construction activities during construction phase

|                                |                              |   |
|--------------------------------|------------------------------|---|
| 1                              | 2                            | 3   |
| Small to<br>Moderate<br>Impact | Potential<br>Large<br>Impact | Can Impact Be<br>Mitigated by<br>Project Change |

**IMPACT ON PUBLIC HEALTH**

13. Will Proposed Action affect public health and safety?

NO     YES

- |   |  |  |  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>• Proposed Action may cause a risk of explosion or release of hazardous substances (i.e. oil, pesticides, chemicals, radiation, etc.) in the event of accident or upset conditions, or there may be a chronic low level discharge or emission.</li> <li>• Proposed Action may result in the burial of "hazardous wastes" in any form (i.e. toxic, poisonous, highly reactive, radioactive, irritating, infectious, etc.)</li> <li>• Storage facilities for one million or more gallons of liquefied natural gas or other flammable liquids</li> <li>• Proposed Action may result in the excavation or other disturbance within 2,000 feet of a site used for the disposal of solid or hazardous waste.;</li> <li>• Other impacts:</li> </ul> | <input type="checkbox"/><br><br><br><br><br><input type="checkbox"/> | <input type="checkbox"/><br><br><br><br><br><input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br><br><br><br><input type="checkbox"/> Yes <input type="checkbox"/> No<br><br><br><br><br><input type="checkbox"/> Yes <input type="checkbox"/> No |
|---|--|--|--|

**IMPACT ON GROWTH AND CHARACTER  
OF COMMUNITY OR NEIGHBORHOOD**

19. Will Proposed Action affect the character of the existing community?

NO     YES

**Examples** that would apply to column 2

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• The permanent population of the city, town or village in which the project is located is likely to grow by more than 5%.</li> <li>• The municipal budget for capital expenditures or operating services will increase by more than 5% per year as a result of this project.</li> <li>• Proposed Action will conflict with officially adopted plans or goals.</li> <li>• Proposed Action will cause a change in the density of land use.</li> <li>• Proposed Action will replace or eliminate existing facilities, structures or areas of historic importance to the community.</li> <li>• Development will create a demand for additional community services (e.g. schools, police and fire, etc.)</li> </ul> | <input type="checkbox"/><br><br><br><br><br><input checked="" type="checkbox"/> | <input type="checkbox"/><br><br><br><br><br><input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br><br><br><br><input type="checkbox"/> Yes <input type="checkbox"/> No<br><br><br><br><br><input type="checkbox"/> Yes <input type="checkbox"/> No |
|--|---|--|--|

|   | 1<br>Small to<br>Moderate<br>Impact | 2<br>Potential<br>Large<br>Impact | 3<br>Can Impact Be<br>Mitigated by<br>Project Change     |
|---|-------------------------------------|-----------------------------------|--|
| • Proposed Action will set an important precedent for future projects | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will create or eliminate employment.                | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts:  | <input type="checkbox"/>            | <input type="checkbox"/>          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|   |                                     |                                   |  |

20 Is there, or is there likely to be, public controversy related to potential adverse environment impacts?  
 NO     YES

**If Any Action in Part 2 Is Identified as a Potential Large Impact or If you Cannot Determine the Magnitude of Impact, Proceed to Part 3**

## Part 3 - EVALUATION OF THE IMPORTANCE OF IMPACTS

### Responsibility of Lead Agency

Part 3 must be prepared if one or more impact(s) is considered to be potentially large, even if the impact(s) may be mitigated

**Instructions:** (If you need more space, attach additional sheets)

Discuss the following for each impact identified in Column 2 of Part 2:

- 1 Briefly describe the impact.
- 2 Describe (if applicable) how the impact could be mitigated or reduced to a small to moderate impact by project change(s).
- 3 Based on the information available, decide if it is reasonable to conclude that this impact is **important**.

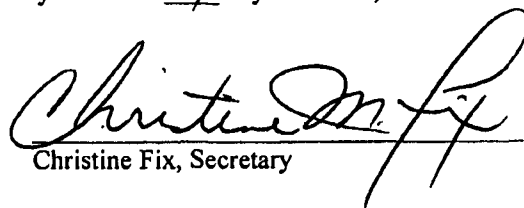
To answer the question of importance, consider:

- ! The probability of the impact occurring
- ! The duration of the impact
- ! Its irreversibility, including permanently lost resources of value
- ! Whether the impact can or will be controlled
- ! The regional consequence of the impact
- ! Its potential divergence from local needs and goals
- ! Whether known objections to the project relate to this impact.

**CERTIFICATE**

I, Christine Fix, Secretary of the Joint Schools Construction Board, Syracuse, New York, HEREBY CERTIFY that the foregoing annexed Resolution from the minutes of a meeting of the Board, duly called and held on January 31, 2008 has been compared by me with the original Resolution as officially adopted and recorded in my office in the Minute Book of said Board and is a true, complete and correct copy thereof and of the whole of said original Resolution so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of March, 2008.

  
Christine Fix, Secretary

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 6 of 2008

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) ADOPTING A COMPREHENSIVE PLAN FOR PHASE I OF THE SYRACUSE SCHOOLS RECONSTRUCTION PROJECT IN ACCORDANCE WITH APPLICABLE LAW.

The following resolution was offered by Bill Ryan, who moved its adoption, seconded by Alex Deuel, to-wit:

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"), and

WHEREAS, the Office of State Comptroller ("OSC") has issued its financial approval letter to the JSCB and therein has recommended that the JSCB monitor the Project closely as it is implemented;

WHEREAS, §6 of the Act requires that the JSCB adopt a "comprehensive plan" for the implementation of the Project; and

NOW THEREFORE, BE IT RESOLVED, that;

1. The JSCB hereby adopts a comprehensive plan for the Project, which includes (a) the JSCB's financial plan, (b) the persons involved in the financing of the project, (c) estimates on the costs associated with each project, (d) the JSCB RFP policy, (e) the SCSD's five year capital facilities plan, (f) the JSCB's diversity plan, which attached hereto as Appendix A and made a part of this Resolution.
2. The JSCB has complied with §6 of the Act (requiring public hearings) by holding a public hearing in each quadrant of the City during 2006 prior to developing this comprehensive plan
3. The resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

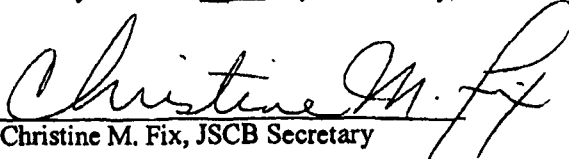
|                                  |        | Non-Voting Member |
|----------------------------------|--------|-------------------|
| Hon. Matthew J. Driscoll, Chair  | voting | <u>Y</u>          |
| Daniel G. Lowengard              | voting | <u>Absent</u>     |
| Hon. Calvin Corriders, Treasurer | voting | <u>Y</u>          |
| Dr. Ruben P. Cowart              | voting | <u>Y</u>          |
| Hon Ned Deuel                    | voting | <u>Absent</u>     |
| Hon. Bea González                | voting | <u>Y</u>          |
| Hon. Laurie Menkin               | voting | <u>Absent</u>     |
| Kenneth Mokrzycki                | voting | <u>Absent</u>     |
| Hon. Van B. Robinson             | voting | <u>Absent</u>     |
| Hon. William M. Ryan             | voting | <u>Y</u>          |

The resolution was declared adopted.

#### CERTIFICATE

I, Christine M. Fix, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on February 14, 2008 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

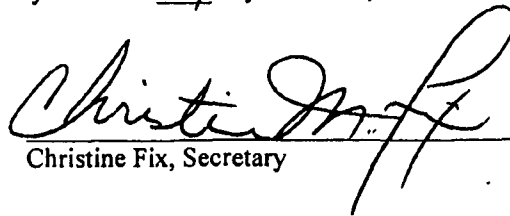
IN WITNESS WHEREOF, I have hereunto set my hand this 14 day of February, 2008.

  
Christine M. Fix, JSCB Secretary

**CERTIFICATE**

I, Christine Fix, Secretary of the Joint Schools Construction Board, Syracuse, New York, **HEREBY CERTIFY** that the foregoing annexed Resolution from the minutes of a meeting of the Board, duly called and held on February 14, 2008 has been compared by me with the original Resolution as officially adopted and recorded in my office in the Minute Book of said Board and is a true, complete and correct copy thereof and of the whole of said original Resolution so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of March, 2008.

  
Christine Fix, Secretary



# JSCB

Joint Schools Construction Board  
www.jscb.us

**Members:**

**Hon. Matthew J. Driscoll, Chair**  
Mayor  
City of Syracuse

**Daniel G. Lowengard**  
Superintendent of Schools  
Syracuse City School District

**Hon. Calvin Corriders, Treasurer**  
Commissioner  
Board of Education

**Dr. Ruben P. Cowart**  
President and CEO  
Syracuse Community Health Center

**Hon. Ned Deuel**  
President  
Board of Education

**Hon. Bea González**  
President  
Syracuse Common Council

**Hon. Laurie Menkin**  
Commissioner  
Board of Education

**Kenneth Mokrzycki**  
Director of Administration  
City of Syracuse

**Hon. Van B. Robinson**  
Councillor  
City of Syracuse

**Hon. William M. Ryan**  
Councillor  
City of Syracuse

**Secretary to the Board:**

**Christine M. Fix**  
Director of Intergovernmental Affairs  
City of Syracuse

**Advisory Staff:**

**Joseph W. Barry, III, Esq.**  
Senior Assistant Corporation Counsel  
City of Syracuse

**David DelVecchio, CPA**  
Commissioner of Finance  
City of Syracuse

**Nicholas DiBello**  
Assistant to the Superintendent  
For Facilities and Construction  
Syracuse City School District

**Bill Owens**  
Contract Compliance Officer  
City of Syracuse

**Mary Robison, P.E.**  
City Engineer  
City of Syracuse

**Joseph Rufo**  
Chief Financial Officer  
Syracuse City School District



**Matthew J. Driscoll**  
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**Daniel G. Lowengard**  
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# Comprehensive Plan of the Joint Schools Construction Board

Approved by the JSCB 2/14/08

# JSCB

## Joint Schools Construction Board

[www.jscb.us](http://www.jscb.us)

### Table of Contents

|   |  |
|---|--|
| 1 | JSCB Financial Plan  |
| 2 | JSCB Financial Team Members  |
| 3 | Estimates on the Design Reconstruction and Rehabilitation Costs by Project     |
| 4 | Rules and Procedures for the JSCB RFP Process                                  |
| 5 | Information Regarding Amendments to the SCSD Five Year Capital Facilities Plan |
| 6 | Development and Diversification Plan for Workforce and Business                |

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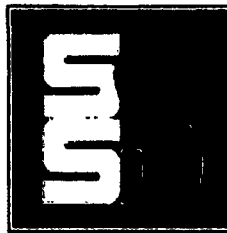
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# **FINANCIAL PLAN**

---

**OF THE  
JOINT SCHOOLS CONSTRUCTION BOARD  
SYRACUSE, NEW YORK**



**RELATING TO THE  
JOINT SCHOOLS CONSTRUCTION PROGRAM  
PHASE I**

---

**Presented to the  
Office of the New York State Comptroller**

**November 16, 2007**

---

*Adopted by the Syracuse JSCB:  
November 15, 2007*



**JOINT SCHOOLS CONSTRUCTION BOARD  
SYRACUSE, NEW YORK**

**MEMBERS**

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*Mayor  
City of Syracuse*

**Daniel G. Lowengard**  
*Superintendent of Schools  
Syracuse City School District*

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Syracuse City School District*

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**Raymond G. Hart, CPA**  
*Public Finance Associates Inc.*



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## TABLE OF CONTENTS

---

|                  |  |
|------------------|--|
| <b>Section 1</b> | <b>INTRODUCTION</b>  |
| <b>Section 2</b> | <b>FINANCIAL PLAN</b>  |
|                  | <b>A. Estimate of total costs to be financed</b>   |
|                  | <b>B. Proposed financing plan</b>  |
|                  | <b>C. Proposed method of financing</b>   |
|                  | <b>D. Terms and conditions of the financing</b>  |
|                  | <b>E. Estimated financing costs</b>  |
|                  | <b>F. Comparison of GO bonds and the proposed method of financing</b>  |
|                  | <b>G. Available Resources to Cover Local Share on Annual Basis</b>   |
| <b>Section 3</b> | <b>SUMMARY</b>   |
|                  | <b><u>Supporting Documentation</u></b>   |
| <b>Exhibit A</b> | <b>City of Syracuse Outstanding Debt Profile</b>   |
| <b>Exhibit B</b> | <b>Syracuse City School District Outstanding Debt Profile<br/>with building aid and net local share components</b> |
| <b>Exhibit C</b> | <b>City of Syracuse Multiyear Financial Plan and<br/>Fiscal Performance Plan 2007/08 – 2010/11</b>                 |
| <b>Exhibit D</b> | <b>Syracuse City School District Financial Forecast<br/>2007-08 to 2010-11</b>                                     |
| <b>Exhibit E</b> | <b>Financial Model of Master Plan</b>  |



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## Section 1 - INTRODUCTION

---

### INTRODUCTION

The Syracuse Joint Schools Construction Board (hereinafter referred to as the "JSCB") was created through the City of Syracuse and the Board of Education of the City School District of the City of Syracuse Cooperative School Reconstruction Act (the "Act") authorized by New York State through Chapter 58 A-4 of the Laws of 2006 and created through an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District").

Pursuant to the Act, the JSCB intends to undertake a project consisting of the design, reconstruction, or rehabilitation of existing school buildings for their continued use as schools of the School District, which may include the addition to an existing school building, and which may also include (1) the construction or reconstruction of athletic fields, playgrounds, and other recreational facilities for such existing school buildings, and/or (2) the acquisition and installation of all equipment necessary and attendant to and for the use of such existing school buildings (collectively, "Phase I Projects").

Seven projects are authorized pursuant to the Act and make up the Phase I Projects for up to a total cost of \$225 million. Such Phase I Projects are located at:

- Central High School (also known as Central Tech or Institute of Technology)
- Blodgett School
- Shea Middle School
- H.W. Smith Elementary School
- Clary Middle School
- Dr. Weeks Elementary School
- Fowler High School

The Act authorizes new and innovative ways to renovate the school buildings and authorizes various financing techniques to accomplish the Financial Plan for the Phase I Projects. The Financial Plan presented to the Office of the State Comptroller in Section 2 herein was put together after careful consideration and a thorough analysis of all options available to the JSCB. The following is a synopsis overview of certain components introductory to the presentation of the complete Financial Plan.

### UNDERWRITING TEAM

The JSCB, through a comprehensive Request for Proposal process, selected the following firms to serve in their designated capacities for financing of the Phase I Projects. Each firm demonstrated ample qualifications and sufficiency to provide the requisite services as well as complied with the JSCB's Diversity Plan.

The JSCB selected the firm of **DEPFA First Albany Securities LLC** to serve as Senior Managing Underwriter for Phase I of the Schools Construction Program. The JSCB's review process for Underwriter(s) focussed on the capabilities and experience of each firm who proposed as it related to (a) knowledge of New York State school building aid; (b) the sale and distribution of tax-exempt securities; (c) financing through Industrial Development Agencies, the New York State Municipal Bond Bank Agency or Certificates of Participation; (d) the experience, abilities and the creativity of the professional staff; and (e) capital sufficiency of the firm. The JSCB received 19 proposals all of which were rated and ranked based on the above criteria. The field of potential underwriters being considered for Senior Managing Underwriter was eventually narrowed down to two firms who were each asked to make formal presentations to the JSCB. In the capacity of Senior Managing Underwriter, **DEPFA First Albany Securities** recommended, and it was accepted, the use of **Hawkins Delafield & Wood LLP** as Underwriters' Counsel.



It was desired by the JSCB to select co-managing underwriters based on Minority and/or Women-owned status, so long as they demonstrated sufficiency in the attributes necessary for successful performance by a co-managing underwriter. After a careful review of the proposals submitted, and a similar rating and ranking system adhered to for the Senior Managing Underwriter, the following firms were selected to serve as co-managing underwriters: **Ramirez & Co., Inc. jointly with Roosevelt & Cross, Incorporated, Loop Capital Markets, LLC, and Alta Capital Group, LLC.**

#### **EXPECTED COST**

While the Act provides for a total cost of up to \$225 million for the Phase I Projects, under prevailing market conditions and based on current estimates of project costs, including Program Manager, Architect and Engineers, and Building Commissioning, and cost of construction, the JSCB currently expects that **\$180 million** of available proceeds will be sufficient to complete the proposed projects as conceptually contemplated. As such, the Financial Plan has been prepared utilizing the requirement to provide for \$180 million in proceeds to the project construction fund for the JSCB to use for such costs. *Section 2.A. of the Financial Plan provides details of the \$180 million composition.*

#### **METHOD OF FINANCING**

The JSCB expects to utilize the **Syracuse Industrial Development Agency (SIDA)** as the conduit issuer and means of financing the Phase I Projects. Careful consideration was made to the alternative conduit issuer provided for in the Act, i.e. the New York State Municipal Bond Bank Agency, as well as alternative means of financing, i.e. City of Syracuse GOs. A number of weighing factors in each case were analyzed and the results are provided within the Financial Plan. *Section 2.C. and Section 2.F. of the Financial Plan provide the analyses and rationale used for the selection of SIDA.*

#### **EXPECTED FINANCING TIMEFRAME**

The Institute of Technology received all the necessary approvals by SED on December 28, 2006, providing for the reimbursement of state aid to commence in the 2007-08 FY (1/2 payment) and the ability for the JSCB to borrow the funds necessary to complete this project. Based on the estimation that the Office of the State Comptroller will complete its review of the Financial Plan in 60 days, the necessary application process that must be gone through for SIDA financing, and the documentation that must be prepared to allow for market participation, it is currently expected that financing for the Institute of Technology and up to \$10 million of soft costs for the remaining six schools ("Tranche I") will transpire in **February 2008**. Tranche II, which would provide for the balance of proceeds necessary to complete the construction of the Phase I projects is expected to transpire in **February 2009**, after final plans and specifications have been submitted and approved by SED.



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## Section 2 - FINANCIAL PLAN

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The Financial Plan presented herein extends well beyond the initial scope expectations of financing the Phase I Projects. Forward thinking consideration was made as to the financing requirements of Phases II-IV of the District-Wide Reconstruction Project Master Plan (the "Master Plan") as well and how the overall Master Plan fits within the confines and abilities of the City and School District to finance such overall needs and to provide for the payment of non-aidable costs. An outline of the foundation of the Master Plan is warranted in order to understand the magnitude of importance of each of its Phases and how the Financial Plan of Phase I is a precursor to the success of Phases II-IV.

### MASTER PLAN

The School District, located in Central New York, is the fifth-largest school district in the State and serves a diverse urban population of approximately 21,000 students. The School District currently occupies 42 buildings of which 37 house schools: 21 for elementary, six for middle, four for K-8, four for high school, and two for alternative programs. In addition, five buildings house support functions including central offices, building maintenance, transportation maintenance, property control and storage.

**Context and Summary of Rationale** - The facilities that house the School District's schools are in great need of timely, massive renovation of existing space, and addition of new, educationally appropriate space. Recent comprehensive investigations studied areas such as curriculum and instruction, instructional and institutional organization, student demographics, and physical plant condition. All confirm the importance and urgency of mounting an expedited district wide reconstruction program. These findings are consistent with recent redevelopments in the field of education coupled with the challenging conditions typical of schools in many other cities in the northeast United States.

- √ A need to meet new quality-education standards and initiatives developed by the New York State Education Department and the Syracuse City School District.
- √ A need to meet the needs of an increasingly diverse student population.
- √ A need to meet the needs of a growing proportion of special-needs students.
- √ A need to meet the needs of an increasingly vital and successful education program.
- √ A need to meet the increased awareness of general health, and physical and emotional needs of students and staff.
- √ A need to meet the increased understanding of life-safety and health issues.
- √ A need to respond to development of physical plant deficiencies.

**Goals of the Comprehensive Plan** - The scope and urgency of work required in the School District is extensive due to the numerous and in some cases significant deficiencies present. The goals listed below are believed to be sound and should enhance student learning, assist in reducing the dropout rate and preserve facilities.

- √ Relocate programs from leased spaces to owned facilities, and close selected facilities.
- √ Eliminate use of substandard spaces.
- √ Provide adequate spaces.
- √ Address building inadequacies.
- √ Adopt planning approach that supports reduced dropout rate.

**Project Phasing Plan** - Schools have been prioritized into Phases I, II, III and IV based on the condition of the building's existing physical plant as identified by a 2000 Building Condition Survey and the need to geographically balance improvements across each quadrant of the School District. Listed on the following page are the school buildings designated in each Phase of the Master Plan as well as a geographic depiction of their location within the City's boundaries.

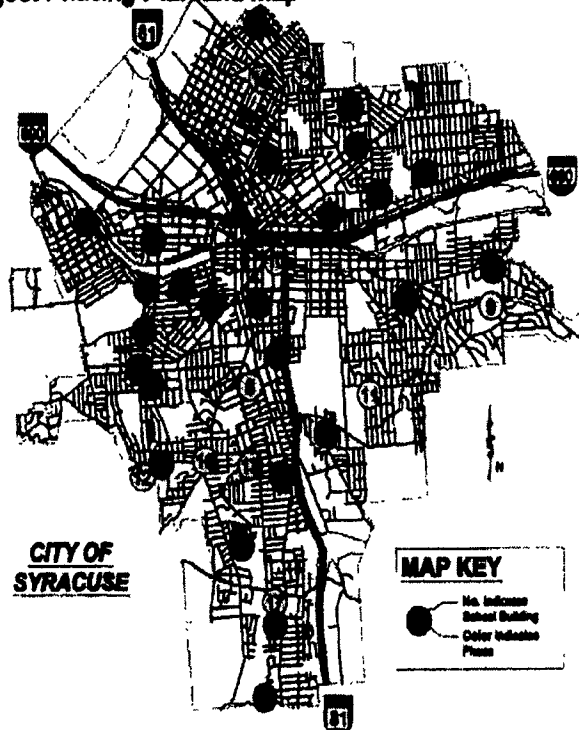




| MASTER PLAN |                     |                                   |
|-------------|---------------------|-----------------------------------|
| PHASE       | #                   | SCHOOL                            |
| 1           | 1                   | estate of Tennessee               |
|             | 2                   | Woodard Pre K-8 School            |
|             | 3                   | Shaw Middle School                |
|             | 4                   | H.W. Smith Pre K-8 School         |
|             | 5                   | Clay Middle School                |
|             | 6                   | Dr. Weeks Elementary              |
|             | 7                   | Foster High School                |
| 2           | 8                   | Edward A. Reynolds School         |
|             | 9                   | Hallington High School            |
|             | 10                  | Jelvaan Vocational Center         |
|             | 11                  | Ed Smith Pre K-8                  |
|             | 12                  | Carroll High School               |
|             | 13                  | Opelika Middle School             |
|             | 14                  | Webster Elementary                |
|             | 15                  | Grant Middle School               |
|             | 16                  | Clawson Elementary                |
|             | 17                  | McCarthy Alternative School       |
| 3           | 18                  | Harrison Pre K-8 School           |
|             | 19                  | Lynn Pre K-8 School               |
|             | 20                  | Dobson Elementary                 |
|             | 21                  | Salas Hyde Elementary             |
|             | 22                  | Pepper Elementary                 |
|             | 23                  | Seawall Elementary                |
|             | 24                  | Harrison High School              |
|             | 25                  | Belknap Elementary                |
|             | 26                  | Worthington Elementary            |
|             | 27                  | Hughes Pre K-8 School             |
| 28          | Van Oost Elementary |                                   |
| 4           | 29                  | Lincoln Middle School             |
|             | 30                  | LeMay Elementary                  |
|             | 31                  | Frederick Pre K-8 School          |
|             | 32                  | Franklin Elementary               |
|             | 33                  | Prosser Pre K-8 School            |
|             | 34                  | St. Catherine-Brighton Elementary |
|             | 35                  | Dr. King Elementary               |
|             | 36                  |                                   |

## District-Wide Reconstruction Project

### Project Phasing Plan and Map





## 2.A. ESTIMATE OF TOTAL COSTS TO BE FINANCED FOR PHASE I

### EXPECTED FUNDS NEEDED FOR PLAN COMPLETION

Of the projects and respective costs outlined in the Master Plan, it is currently anticipated that \$180 million of available proceeds in the project construction fund will be needed to complete Phase I of the Plan of Financing. Certain inflationary factors and potential cost variabilities were built into the Master Plan estimates and, as such, the authorizing Act provides for up to an original financing cost of \$225 million for the Phase I Projects. While absolute dollar costs will not be known until final plans and specifications have been finalized and approved by SED for all of the schools, it is currently estimated that \$180 million in proceeds will be sufficient for completion of the Phase I Projects based on current project expectations and cost estimates.

| SCHOOL                    | MASTER PLAN ESTIMATE | EXPECTED FUNDS NEEDED FOR PLAN COMPLETION | EXPECTED FUNDS AS A % OF MASTER PLAN ESTIMATE |
|---------------------------|----------------------|---|---|
| Institute of Technology   | \$ 42,496,000        | \$ 35,996,800                             | 84.7 %  |
| Blodgett Pre K-8 School   | 36,782,000           | 29,425,600                                | 80.0 %  |
| Shea Middle School        | 22,032,000           | 18,625,600                                | 84.5 %  |
| H.W. Smith Pre K-8 School | 23,909,000           | 19,899,200                                | 83.2 %  |
| Clary Middle School       | 25,528,000           | 20,422,400                                | 80.0 %  |
| Dr. Weeks Elementary      | 22,431,000           | 17,944,800                                | 80.0 %  |
| Fowler High School        | \$1,705,000          | \$7,685,600                               | 72.9 %  |
|                           | \$ 224,883,000       | \$180,000,000                             | 80.0 %  |

### EXPECTED COSTS TO BE FINANCED

100% of the costs expected to be funded through building aid, currently estimated at \$133,194,359<sup>1</sup>, as well as \$30,102,691 that would need to be paid from local source revenues, will be funded through the issuance of bonds for an aggregate of \$163,297,050. It is expected that \$16,702,950 received by the School District in the form of Excel Aid will be used towards the funding of other local share costs over and above those funded through bonds.

| SCHOOL                   | ESTIMATED MAX COST ALLOWANCE <sup>1</sup> | BUILDING AID TO BE RECEIVED ON MCA at 97% <sup>2</sup> | EXCEL AID TO BE USED TOWARDS PROJECT | LOCAL SHARE FUNDS NEEDED FOR PROJECT | EXPECTED FUNDS NEEDED FOR PLAN COMPLETION |
|--------------------------|---|--|--------------------------------------|--------------------------------------|---|
| Institute of Technology  | \$ 34,732,256                             | \$ 33,690,288 <sup>2</sup>                             |                                      |                                      |   |
| Institute of Technology  | \$34,732,256                              | \$30,940,288 <sup>2</sup>                              | \$4,139,395                          | \$917,117                            | \$35,996,800                              |
| Blodgett PreK-8 School   | 17,271,504                                | 16,753,359   | 2,058,419                            | 10,613,822                           | 29,425,600                                |
| Shea Middle School       | 11,791,950                                | 11,438,192   | 1,405,367                            | 5,782,041                            | 18,625,600                                |
| H.W. Smith PreK-8 School | 18,107,735                                | 17,564,503   | 2,158,081                            | 176,616                              | 19,899,200                                |
| Clary Middle School      | 15,117,822                                | 14,664,287   | 1,801,745                            | 3,956,368                            | 20,422,400                                |
| Dr. Weeks Elementary     | 12,210,911                                | 11,844,584   | 1,455,296                            | 4,644,920                            | 17,944,800                                |
| Fowler High School       | 30,916,645                                | 29,989,146   | 3,684,647                            | 4,011,807                            | 37,685,600                                |
|                          | \$140,148,823                             | \$133,194,359  | \$16,702,950                         | \$30,102,691                         | \$180,000,000                             |

<sup>1</sup> Maximum Cost Allowance ("MCA") as estimated by SED based on their review of the Master Plan Phase I Projects is \$140,148,823. This amount is subject to change when Final Plans and Specifications are submitted to SED for review and approval.

<sup>2</sup> \$2,750,000 for Institute of Technology was borrowed on May 2, 2002 (\$2,000,000) and June 15, 2005 (\$750,000) through the issuance of City GO bonds for the payment of certain soft costs and will receive building aid accordingly based on the MCA for total project costs.



## 2.B. PROPOSED FINANCING PLAN FOR PHASE I

A number of factors were considered when developing the overall Financing Plan for the Phase I Projects, many of which extend well beyond the initial scope expectations of Phase I. Forward thinking consideration was made as to the financing requirements of Phases II-IV of the Master Plan, as well as how the overall Master Plan fit within the confines and abilities of the City and School District to finance such overall needs and to provide for the payment of non-aidable costs. Certain decisions that were made, i.e. issuing bonds through the Syracuse Industrial Development Agency ("SIDA") or through City GO bonds, utilizing SIDA or the New York State Municipal Bond Bank ("MBBA") as the issuing entity, are explained and supported in further detail throughout this Plan submission.

Outlined below are the intrinsic factors that determined the overall approach to meeting the sizing and timing requirements of Phase I financing.

- The Institute of Technology project received final approval by SED on December 28, 2006. As such, final plans and specifications are in place and the 18 month clock has started ticking as it pertains to receiving building aid reimbursements. Furthermore, the JSCB, the School District, the City, as well as all those in the community, is anxious to see this project completed.
- In order to receive better estimates on costs for the remaining schools, Architect and Engineering firms ("A & E") as well as a Building Commissioning firm needs to be retained to develop final plans and specifications for submission to SED. In order to provide for payment of fees to A & E and Building Commissioning firms, as well as other firms involved in the overall Plan of Financing, certain soft costs, to the extent allowable, need to be borrowed near term.
- It is the current expectation that all remaining schools will have their plans and specifications drawn up simultaneously and submitted to SED for approval at the same time. The JSCB is currently in the process of evaluating proposals from all A & E firms that submitted proposals and it is the expectation that all such firms selected will commence work by year end. Furthermore, RFPs for Building Commissioning firms will be going out shortly.

As a result of these considerations, the JSCB has decided to approach the Phase I Plan of Finance with a two tranche approach. Below are the basic assumptions serving as the foundation to each tranche issuance.

|  | Tranche I   | Tranche II  |
|--|---|---|
| <b>Issuing Entity:</b>   | SIDA (See 2.C)  | SIDA (See 2.C)  |
| <b>Date of Issuance:</b>   | February 1, 2008  | February 1, 2009  |
| <b>Estimated Par Value of Bonds:</b>   | \$42,705,000  | \$127,450,000   |
| <b>First Interest Payment Date:</b>  | November 1, 2008  | November 1, 2009  |
| <b>First Principal Payment Date:</b>   | May 1, 2009 (for Institute of Tech.)<br>May 1, 2011 (for \$10 mil soft costs)   | May 1, 2011   |
| <b>Expected Proceeds:</b>  | \$45,996,800<br>(\$41,857,405 from bonds)*  | \$134,003,200<br>(\$121,439,645 from bonds)*  |
| <b>Projects Financed:</b>  | • Institute of Technology<br>Plus: \$10 million of proceeds to provide for the funding of soft costs for all other schools  | • Blodgett School<br>• Shea Middle School<br>• H.W. Smith Elementary School<br>• Clary Middle School<br>• Dr. Weeks Elementary School<br>• Fowler High School<br>Less: \$10 million of soft costs already financed in Tranche I |
| <b>Amortization Term:</b><br><i>Amortization Term coincides with period of expected building aid reimbursement</i> | 19 1/2 years <sup>1</sup> for Institute of Tech.<br>20 years for pro-rata soft costs for Clary and Fowler<br>15 years for pro-rata soft costs for Blodgett, H.W.Smith, Shea & Weeks | 20 years for Clary and Fowler<br>15 years for Blodgett, H.W. Smith, Shea and Weeks.   |

\* Difference between Expected Proceeds for project and that amount funded through bonds is Excel Aid to be used towards project.



## 2.C. PROPOSED METHOD OF FINANCING FOR PHASE I

An evaluation was made as to whether it is deemed more financially advantageous to issue the Bonds through SIDA or the MBBA, notwithstanding the City's desire to support local efforts when accomplishing its goals. From a purely financial perspective, both interest rates and other borrowing costs were evaluated. As shown below, under "optimal" market conditions, interest rates for a financing through SIDA and the MBBA are essentially the same except as noted in the 6-10 year range. Conversely, under "stressed" market conditions, such as those we are experiencing today, interest rates could widen to 2-3 bps up and down the yield curve. On any given day, interest rate differentials could widen or narrow, as well as extend or retract to any degree to other maturities, depending on a number of factors including evaluation of underlying credit classes due to "flight to quality" issues, name recognition of an issuing entity, and participation of retail investors.

| Year | Optimal Market |                | Stressed Market |                | Year | Optimal Market |                 | Stressed Market |  |
|------|----------------|----------------|-----------------|----------------|------|----------------|-----------------|-----------------|--|
|      | SIDA Yield (%) | MBBA Yield (%) | NIBBA Yield (%) | SIDA Yield (%) |      | MBBA Yield (%) | NIBBA Yield (%) |                 |  |
| 1    | 3.39           | 3.39           | 3.37            | 11             | 4.25 | 4.25           | 4.22            |                 |  |
| 2    | 3.42           | 3.42           | 3.40            | 12             | 4.31 | 4.31           | 4.28            |                 |  |
| 3    | 3.50           | 3.50           | 3.48            | 13             | 4.37 | 4.37           | 4.34            |                 |  |
| 4    | 3.59           | 3.59           | 3.57            | 14             | 4.42 | 4.42           | 4.39            |                 |  |
| 5    | 3.68           | 3.68           | 3.66            | 15             | 4.47 | 4.47           | 4.44            |                 |  |
| 6    | 3.76           | 3.74           | 3.73            | 16             | 4.51 | 4.51           | 4.48            |                 |  |
| 7    | 3.86           | 3.84           | 3.83            | 17             | 4.55 | 4.55           | 4.52            |                 |  |
| 8    | 3.97           | 3.95           | 3.94            | 18             | 4.59 | 4.59           | 4.56            |                 |  |
| 9    | 4.07           | 4.05           | 4.04            | 19             | 4.63 | 4.63           | 4.60            |                 |  |
| 10   | 4.16           | 4.14           | 4.13            | 20             | 4.65 | 4.65           | 4.62            |                 |  |

Furthermore, we considered fees expected to be charged by both SIDA and MBBA. All other issuance costs relative to the financing by either entity were assumed to be the same, i.e. bond and other legal counsel, financial advisor, underwriting fees, bond insurance, etc.

| SIDA Proposed Fees <sup>1</sup>        | MBBA Estimated Fees <sup>2</sup>              |
|--|---|
| 0.50% of project cost payable up-front | 10 bps payable annually based on original par |

<sup>1</sup> This is a reduced fee from the 1% printed on SIDA's fee schedule.

<sup>2</sup> Based on conversations with MBBA and fees charged on prior deals.

Financing all of Phase I was considered in the evaluation of which issuing entity to utilize, including the proposed tranching of this Phase. When quantified, by issuing the bonds through SIDA, the following reduction in issuance costs and overall debt service are estimated to be realized.

|                                 | Optimal Market     |   | Stressed Market                         |       |
|---------------------------------|--------------------|---|---|-------|
|                                 | SIDA               | NIBBA                                   | SIDA                                    | NIBBA |
| <b>Issuer Fee:</b>              | \$850,775 up-front | \$2,224,760 agg. (PV)<br>\$169,370/year | \$2,225,312 agg. (PV)<br>\$169,120/year |       |
| <b>NIC – Tranche I:</b>         | 4.60%              | 4.60%                                   | 4.58%                                   |       |
| <b>NIC – Tranche II:</b>        | 4.54%              | 4.54%                                   | 4.52%                                   |       |
| <b>Total Debt Service:</b>      | \$258,062,325      | \$260,526,883                           | \$260,133,066                           |       |
| <b>Additional Debt Service:</b> | -----              | \$2,464,558                             | \$2,070,741                             |       |



## 2.D. TERMS AND CONDITIONS OF THE FINANCING

Expected terms and conditions, both from a legal framework as well as financial structure, are presented below for the Phase I Projects. *Exhibit E provides for the quantitative modelling of the Plan.*

|                            | <p style="text-align: center;">CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY<br/>           School Facility Revenue Bonds<br/>           (City School District of the City of Syracuse Project)<br/>           Series 2008A and Series 2009A</p> <p style="text-align: center;">\$42,705,000                      \$127,450,000<br/>           Series 2008A                      Series 2009A<br/>           Dated: February 1, 2008                      Dated: February 1, 2009</p>   |
|----------------------------|--|
| <b>Authorization:</b>      | The Tranche I Bonds and Tranche II Bonds of Phase I (collectively, the "Bonds") will be issued through SIDA in accordance with Chapter 58 A-4 of the Laws of 2006 of the State of New York.  |
| <b>Expected Structure:</b> | The Bonds will be issued pursuant to an Indenture of Trust between SIDA and an appointed Trustee to provide money to finance a portion of the costs of the Phase I Projects. The Bonds will be special limited obligations of SIDA payable from amounts due from the School District under an Installment Sale Agreement between SIDA and the School District, as more fully described below.  |
| <b>Purpose:</b>            | <p>The Bonds will be issued by SIDA for the purpose of financing a portion of the costs of the Phase I Projects, consisting of the design, reconstruction, or rehabilitation of existing school buildings for their continued use as schools of the School District, and may include certain additions, the construction or reconstruction of athletic fields, playgrounds, and other recreational facilities for such existing school buildings, and/or the acquisition and installation of all equipment necessary and attendant to and for the use of such existing school buildings.</p> <p>The proceeds of the Bonds are expected to be applied to (i) pay a portion of the aforementioned costs; (ii) fund capitalized interest until the period when building aid is expected to be received; (iii) finance costs of issuance; and (iv) fund a debt service reserve fund or surety bond.</p>  |
| <b>Expected Security:</b>  | <p>The Bonds will be special limited obligations of SIDA payable solely from State Aid payable by the School District under an Installment Sale Agreement and the pledge of certain funds, including a Bond Fund and a Debt Service Reserve Fund (or Surety Bond) under the Bond Indenture.</p> <p><b>Ground Lease:</b> Pursuant to a Ground Lease, the City and School District will sublease or lease the Phase I facilities to SIDA. The lease will be entered into concurrently with the issuance of the Bonds and will not terminate any earlier than when all the bonds are retired.</p> <p><b>Installment Sale Agreement (see below):</b> SIDA will sell its leasehold interests under the Ground Lease and in the facilities to the School District pursuant to an Installment Sale Agreement (the "ISA"). Installment purchase payments due under the ISA will equal principal and interest due on the Bonds. The obligation of the School District under the ISA to pay installment purchase payments is not a general obligation of the School District or the City of Syracuse and neither the full faith and credit nor the taxing powers of the School District or City are pledged to the payment of installment purchase payments. The obligations of the School District under the ISA to pay installment purchase payments in any fiscal year of the School District constitute a current expense of the School District for such fiscal year and shall not constitute an indebtedness or moral obligation of the School District, the City or the State within the meaning of any</p> |



|  | <p>constitutional or statutory provision or other laws of the State.</p> <p><b>State Aid Intercept:</b> In the event the School District fails to make an installment purchase payment under the ISA, the Act and the Bond Indenture will provide that, upon receipt by the New York State Comptroller of a certificate from the Trustee on behalf of SIDA as to the amount of such failed payment, the State Comptroller shall withhold any State Aid from the School District to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of SIDA the amount so withheld.</p> <p><b>Debt Service Reserve Fund or Surety Bond:</b> Application of a debt service reserve fund (or surety bond), funded with the proceeds of the Bonds, will also provide a source of moneys available for the payment of the principal of and interest on the Bonds should an installment purchase payment not be made by the School District or State Aid is not appropriated by the State and available to the School District and appropriated to make such payments.</p> <p><b>State Aid Trust Agreement:</b> To facilitate the collection of State Aid and payment of installment purchase payments, a to be named Depository, the City, the Trustee and the School District will enter into a State Aid Trust Agreement. In accordance with such Agreement, the City and School District will instruct the State Comptroller to pay all State Aid directly to a State Aid Depository Fund to be held by the Depository under the Agreement. The Agreement provides for the payment of State Aid to the Trustee under the Indenture.</p>  |            |   |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|--|--|------------|---|--|-----------|--|------------|--|------|------------|------|--------------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|---------|------|-----------|------|---------|--|--|------|--------------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|--------------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|--|--|------|-----------|
| <b>Expected Par Issuance:</b>  | Tranche I - \$42,705,000   |            | Tranche II - \$127,450,000              |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| <b>Expected Amortization Structure of the Bonds (May 1 payment dates):</b> | <table border="1"> <thead> <tr> <th colspan="2">Tranche I</th> <th colspan="2">Tranche II</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>\$ 895,000</td> <td>2020</td> <td>\$ 2,330,000</td> </tr> <tr> <td>2010</td> <td>1,025,000</td> <td>2021</td> <td>2,450,000</td> </tr> <tr> <td>2011</td> <td>2,185,000</td> <td>2022</td> <td>2,570,000</td> </tr> <tr> <td>2012</td> <td>1,590,000</td> <td>2023</td> <td>2,700,000</td> </tr> <tr> <td>2013</td> <td>1,660,000</td> <td>2024</td> <td>2,840,000</td> </tr> <tr> <td>2014</td> <td>1,740,000</td> <td>2025</td> <td>2,970,000</td> </tr> <tr> <td>2015</td> <td>1,830,000</td> <td>2026</td> <td>2,485,000</td> </tr> <tr> <td>2016</td> <td>1,915,000</td> <td>2027</td> <td>2,610,000</td> </tr> <tr> <td>2017</td> <td>2,015,000</td> <td>2028</td> <td>1,885,000</td> </tr> <tr> <td>2018</td> <td>2,115,000</td> <td>2029</td> <td>330,000</td> </tr> <tr> <td>2019</td> <td>2,220,000</td> <td>2030</td> <td>345,000</td> </tr> <tr> <td></td> <td></td> <td>2011</td> <td>\$ 4,160,000</td> </tr> <tr> <td></td> <td></td> <td>2012</td> <td>6,525,000</td> </tr> <tr> <td></td> <td></td> <td>2013</td> <td>6,515,000</td> </tr> <tr> <td></td> <td></td> <td>2014</td> <td>7,170,000</td> </tr> <tr> <td></td> <td></td> <td>2015</td> <td>7,170,000</td> </tr> <tr> <td></td> <td></td> <td>2016</td> <td>7,120,000</td> </tr> <tr> <td></td> <td></td> <td>2017</td> <td>6,815,000</td> </tr> <tr> <td></td> <td></td> <td>2018</td> <td>6,635,000</td> </tr> <tr> <td></td> <td></td> <td>2019</td> <td>6,560,000</td> </tr> <tr> <td></td> <td></td> <td>2020</td> <td>8,245,000</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>\$ 6,235,000</td> </tr> <tr> <td></td> <td></td> <td>2022</td> <td>6,595,000</td> </tr> <tr> <td></td> <td></td> <td>2023</td> <td>6,880,000</td> </tr> <tr> <td></td> <td></td> <td>2024</td> <td>8,905,000</td> </tr> <tr> <td></td> <td></td> <td>2025</td> <td>8,385,000</td> </tr> <tr> <td></td> <td></td> <td>2026</td> <td>2,720,000</td> </tr> <tr> <td></td> <td></td> <td>2027</td> <td>2,855,000</td> </tr> <tr> <td></td> <td></td> <td>2028</td> <td>3,000,000</td> </tr> <tr> <td></td> <td></td> <td>2029</td> <td>5,830,000</td> </tr> <tr> <td></td> <td></td> <td>2030</td> <td>9,130,000</td> </tr> </tbody> </table> |            |   |  | Tranche I |  | Tranche II |  | 2009 | \$ 895,000 | 2020 | \$ 2,330,000 | 2010 | 1,025,000 | 2021 | 2,450,000 | 2011 | 2,185,000 | 2022 | 2,570,000 | 2012 | 1,590,000 | 2023 | 2,700,000 | 2013 | 1,660,000 | 2024 | 2,840,000 | 2014 | 1,740,000 | 2025 | 2,970,000 | 2015 | 1,830,000 | 2026 | 2,485,000 | 2016 | 1,915,000 | 2027 | 2,610,000 | 2017 | 2,015,000 | 2028 | 1,885,000 | 2018 | 2,115,000 | 2029 | 330,000 | 2019 | 2,220,000 | 2030 | 345,000 |  |  | 2011 | \$ 4,160,000 |  |  | 2012 | 6,525,000 |  |  | 2013 | 6,515,000 |  |  | 2014 | 7,170,000 |  |  | 2015 | 7,170,000 |  |  | 2016 | 7,120,000 |  |  | 2017 | 6,815,000 |  |  | 2018 | 6,635,000 |  |  | 2019 | 6,560,000 |  |  | 2020 | 8,245,000 |  |  | 2021 | \$ 6,235,000 |  |  | 2022 | 6,595,000 |  |  | 2023 | 6,880,000 |  |  | 2024 | 8,905,000 |  |  | 2025 | 8,385,000 |  |  | 2026 | 2,720,000 |  |  | 2027 | 2,855,000 |  |  | 2028 | 3,000,000 |  |  | 2029 | 5,830,000 |  |  | 2030 | 9,130,000 |
| Tranche I  |  | Tranche II |   |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2009   | \$ 895,000   | 2020       | \$ 2,330,000                            |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2010   | 1,025,000  | 2021       | 2,450,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2011   | 2,185,000  | 2022       | 2,570,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2012   | 1,590,000  | 2023       | 2,700,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2013   | 1,660,000  | 2024       | 2,840,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2014   | 1,740,000  | 2025       | 2,970,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2015   | 1,830,000  | 2026       | 2,485,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2016   | 1,915,000  | 2027       | 2,610,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2017   | 2,015,000  | 2028       | 1,885,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2018   | 2,115,000  | 2029       | 330,000                                 |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| 2019   | 2,220,000  | 2030       | 345,000                                 |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2011       | \$ 4,160,000                            |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2012       | 6,525,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2013       | 6,515,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2014       | 7,170,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2015       | 7,170,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2016       | 7,120,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2017       | 6,815,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2018       | 6,635,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2019       | 6,560,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2020       | 8,245,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2021       | \$ 6,235,000                            |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2022       | 6,595,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2023       | 6,880,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2024       | 8,905,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2025       | 8,385,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2026       | 2,720,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2027       | 2,855,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2028       | 3,000,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2029       | 5,830,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
|  |  | 2030       | 9,130,000                               |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| <b>Redemption Provisions:</b>  | Tranche I - Callable in 10 years @ par   |            | Tranche II - Callable in 10 years @ par |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| <b>Credit Enhancement:</b>   | Bond insurance from a top-tier AAA rated provider is expected.   |            |   |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |
| <b>Underlying Ratings:</b>   | Expected A1/A+ category ratings to be received from all ratings agencies applied to.   |            |   |  |           |  |            |  |      |            |      |              |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |           |      |         |      |           |      |         |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |              |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |  |  |      |           |

**Installment Sale Agreement** - To avoid the significant cost of liability insurance for the School District in favor of SIDA to protect SIDA against third party liability such as slips and falls on school premises, etc., the proposed financing structure provides for the City and the School District to ground lease the project premises to SIDA and assignment and sale by SIDA of its leasehold interest under the ground lease to the School District pursuant to an Installment Sale Agreement. The School District will then be obligated, on a subject to appropriation basis and limited in source as to State school aid revenues, to make installment purchase payments equal to debt service on the bonds as consideration for the sale. With this structure, SIDA will not retain a continual possessory interest in the project premises over the term of the bond financing and thereby become more at risk for third party suits. That is, SIDA will only touch the property at closing when the premises are ground leased to SIDA; but pursuant to the Installment Sale Agreement, SIDA will immediately divest itself of this same possessory interest. With this structure, SIDA should be comforted that a suit brought relative to the premises would not find SIDA liable for any condition of the premises as SIDA will no longer have an interest in the premises.



## 2.E. ESTIMATED FINANCING COSTS FOR PHASE I

The following are estimated costs associated with the financing and construction of the Phase I Projects. These fees are based on either quoted costs represented in RFPs and accepted by the JSCB or estimates believed to be reasonable based on the expected size and structure of Tranche I and II, as well as other comparable financings that have transpired in the current market environment.

| Costs   | Total   | Tranche I                  | Tranche II                 |
|---|---|----------------------------|----------------------------|
| <b>Construction Costs</b>   |   |                            |                            |
| Project Manager   | \$15,500,000  | \$4,920,635                | \$10,579,365               |
| Architects/Engineers  | \$13,000,000  | \$4,126,984                | \$8,873,016                |
| Building Commissioning  | \$3,000,000   | \$952,381                  | \$2,047,619                |
| <b>Underwriting Costs</b>   |   |                            |                            |
| Takedown  |   | \$3.00/bond                | \$2.75/bond                |
| Structuring Fee   |   | \$0.50/bond                | \$0.50/bond                |
| <b>Expenses</b>   |   | Actual as noted at left    | Actual as noted at left    |
| SIFMA   | \$0.03/bond   |                            |                            |
| Dalcomp   | \$35/member +   |                            |                            |
| DTC   | \$0.06/bond   |                            |                            |
| CUSIP   | \$275/folder generated<br>\$134/series for 1 <sup>st</sup> Cusip<br>\$15 ea addit + \$35<br>process |                            |                            |
| Day Loan  | 1%*par*fed fund rate/360  |                            |                            |
| Travel <sup>1</sup>   | Actual  |                            |                            |
| Other, etc. <sup>2</sup>  | Actual  |                            |                            |
| <sup>1</sup> includes all reasonable travel, meals and lodging to be evidenced by receipts, as requested. |   |                            |                            |
| <sup>2</sup> includes phone conferencing, fed ex, etc. to be evidenced by receipts, as requested.         |   |                            |                            |
| Underwriters' Counsel   |   | \$1.00/bond + expenses     | \$0.75/bond + expenses     |
| <b>Costs of Issuance</b>  |   |                            |                            |
| SIDA Fee  |   | 0.50% of par               | 0.50% of par               |
| NYS Bond Issuance Charge  |   | 70 bps on original par     | 70 bps on original par     |
| Bond Insurance  |   | 35 bp est on total DS      | 35 bp est on total DS      |
| Surety Bond   |   | 2% of Reserve Requirement* | 2% of Reserve Requirement* |
| Other Costs of Issuance Includes:   |   | \$500,000 estimate         | \$750,000 estimate         |
| Bond Counsel  |   |                            |                            |
| IDA Counsel   |   |                            |                            |
| JSCB Counsel  |   |                            |                            |
| PLA Counsel   |   |                            |                            |
| JSCB Financial Advisor  |   |                            |                            |
| Rating Agencies   |   |                            |                            |
| Trustee and Counsel   |   |                            |                            |
| MBBA Certification Fee  |   |                            |                            |
| POS/OS Print/Post   |   |                            |                            |
| Miscellaneous   |   |                            |                            |

\* Debt Service Reserve Requirement – lesser of 100% max annual debt service, 125% average annual debt service or 10% of aggregate issue price.



## 2.F. COMPARISON OF GO BONDS AND THE PROPOSED METHOD OF FINANCING

The overriding factor determining whether to issue bonds through City GO's or through SIDA is the available Debt Contracting Margin of the City. Outlined below is a five year history, approximated at about the same time each year, of the debt contracting margin available to the City.

| Statement of Debt Contracting Power<br>2003-2007 |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| As of  | 10/2/2003          | 9/16/2004          | 10/14/2005         | 8/2/2006           | 10/2/2007          |
| <b>Debt Contracting Limitation</b>               | <b>317,296,275</b> | <b>313,030,719</b> | <b>312,365,977</b> | <b>327,033,996</b> | <b>337,346,899</b> |
| Gross Indebtedness                               |                    |                    |                    |                    |                    |
| Original Issue Serial Bonds                      | 277,613,000        | 269,254,684        | 299,343,002        | 312,744,575        | 301,473,875        |
| Refunded Serial Bonds                            | -                  | -                  | 46,110,000         | 44,515,000         | 36,630,000         |
| Installment Purchase Contracts:                  |                    |                    |                    |                    |                    |
| City Emergency Vehicles                          | 724,745            | 527,151            | 286,701            | 239,400            | -                  |
| Airport Equipment                                | -                  | -                  | -                  | 362,637            | 337,858            |
| Contract Liability:                              |                    |                    |                    |                    |                    |
| City/County Courthouse Facility                  | 13,716,251         | 13,138,344         | 12,389,944         | 11,899,168         | 11,271,926         |
| Revenue Anticipation Notes                       | 47,200,000         | 71,000,000         | 100,200,000        | 14,400,000         | 55,000,000         |
| Tax Anticipation Notes                           | 3,800,000          | 3,300,000          | 3,300,000          | 3,300,000          | -                  |
| Bond Anticipation Notes                          | 3,066,000          | 4,832,000          | 2,835,000          | 8,685,000          | 1,628,000          |
| <b>Total Gross Debt</b>                          | <b>346,119,996</b> | <b>362,052,179</b> | <b>464,464,647</b> | <b>396,145,780</b> | <b>406,341,659</b> |
| Less Deductions:                                 |                    |                    |                    |                    |                    |
| Water Debt                                       | 12,940,709         | 13,517,921         | 18,370,395         | 24,234,537         | 23,291,684         |
| Sewer Debt                                       | 1,775,789          | 1,227,798          | 880,611            | 600,998            | 398,482            |
| Airport Debt                                     | -                  | -                  | -                  | 30,765,682         | -                  |
| Current Appropriations To Pay                    |                    |                    |                    |                    |                    |
| Non-Exempt Principal Debt During                 |                    |                    |                    |                    |                    |
| Remainder of the Fiscal Year                     | 20,731,428         | 23,577,525         | 23,149,912         | 22,956,368         | 23,509,581         |
| Refunded Serial Bonds                            | 9,300,000          | -                  | 46,110,000         | 44,515,000         | 36,630,000         |
| Revenue Anticipation Notes                       | 47,200,000         | 71,000,000         | 100,200,000        | 14,400,000         | 55,000,000         |
| Tax Anticipation Notes                           | 3,800,000          | 3,300,000          | 3,300,000          | 3,300,000          | -                  |
| Debt Reserve                                     | 1,562,146          | -                  | 1,615,847          | 4,499,276          | 4,499,276          |
|  | <b>97,310,072</b>  | <b>112,623,244</b> | <b>193,626,765</b> | <b>145,271,861</b> | <b>143,329,023</b> |
| <b>Net Indebtedness</b>                          | <b>248,809,924</b> | <b>249,428,935</b> | <b>270,837,882</b> | <b>250,873,919</b> | <b>263,012,636</b> |
| <b>Debt-Contracting Margin</b>                   | <b>68,486,351</b>  | <b>63,601,784</b>  | <b>41,528,095</b>  | <b>76,160,077</b>  | <b>74,334,263</b>  |

### EVALUATION OF DEBT CONTRACTING MARGIN

Clearly, the currently calculated \$74,334,263 debt contracting margin of the City does not come near to being enough to cover the financing needs of Phase I, let alone Phase II-IV as well. Further, when considering current authorized but unissued debt of the City, this margin falls to \$33,834,263.

|  |                      |
|--|----------------------|
| Debt Contracting Margin as of 10/2/07  | \$ 74,334,263        |
| Adjustments for Authorized but Unissued Debt                                       |                      |
| Authorized but Unissued Debt   | \$ 84,500,000 *      |
| Less: Exclusions   | <u>44,000,000</u>    |
|  | \$ 40,500,000        |
| <b>Adjusted Debt Contracting Margin for Combined City/School District Purposes</b> | <b>\$ 33,834,263</b> |

\* Special note should be made of the City's commitment to reviewing its Multiyear Financial Plan and evaluating the need for any new debt issuances as was contemplated (See 2.G.).





There are two factors unique to Syracuse, as well as the other Big Five Cities that contribute to the limiting ability of debt issuance through City GOs. Notably, building aid cannot be excluded from the debt limit and it must adhere to a restrictive formula in its debt limit calculation.

**Non-Exclusion of Building Aid from Debt Limit** - Section 121.20 of the Local Finance Law does not provide for the exclusion of debt that either small city school districts or the Big Five Cities expects to receive building aid on. Conversely, upon application for and receipt of an exclusion certificate from the State Commissioner of Education, a central or union free school district can deduct the amount of building aid it currently expects to receive from the State on its outstanding debt. In particular to Syracuse this would allow for an exclusion of approximately \$92.9 million from its debt limit and an increase in its debt contracting margin by a like amount. Additionally, Phase I would only contribute approximately \$46,805,641 of debt towards the limit, as \$135,944,359 is expected to be received in building aid based on the current estimation of MCA.

**Debt Limit Calculation** - Pursuant to Article VIII, § 4 of the State Constitution, Syracuse, as well as the other Big Five Cities have a debt limitation of 9% of the five year average full valuation (except the City of New York which has 10%) in the calculation of their debt limits. Of special consequence to the Big Five is that both city and school purpose debt are combined within the debt capacity constraints of such cities, with no definition of how each city is to determine the allocation between city purpose and school district purpose debt. The current debt limit formula places significant constraints on such Cities in the amount of debt they can issue. First, the averaging of full valuation over a five year period provides for a smaller valuation number in the preponderance of cases than if only the most current year were used, as is the case for central and union free school districts. Secondly, the 9% calculation provides for almost half the debt capacity as that derived by central and union free school districts based on their 10% allowable calculation when it is considered together with the 7% calculation imposed by its underlying/overlapping towns.

#### **CASH FLOW IMPLICATIONS**

Under the mechanism in place for SIDA financing and as more fully described in Section 2.D., to facilitate the collection of State Aid and payment of installment purchase payments, a Depository, the City, the Trustee and the School District will enter into a State Aid Trust Agreement. In accordance with such Agreement, the City and School District will instruct the State Comptroller to pay all State Aid directly to a State Aid Depository Fund to be held by the Depository under the Agreement. The Agreement provides for the payment of State Aid to the Trustee under the Indenture.

A State Aid set-aside collection period of December 1 to March 31, with installment purchase payments of April 1, is currently being used in our analysis based on the preliminary premise that this time period will have the least adverse impact on City and School District cash flows. In order to enhance coverage and simplify the flow of funds through the Indenture, such payments of State Aid to the Trustee will be for the components of the financing expected to receive State Aid as well as the local share component that would ordinarily have been paid from other sources, i.e. taxes. Mismatches in timing of when the School District would normally have received the State Aid that will now be used to pay local share debt and when it will be receiving the tax or other revenue source payments that will now not be used for the payment of local share debt could create an increased sizing need in the School District's annual cash flow borrowing. While the exact sizing impact, if any, is not currently known, it is estimated that for every incremental increase of \$10 million in RAN borrowing, the School District would need to provide for approximately \$360,000 in interest, based on current market rates of 3.60%.



## 2.G. AVAILABLE RESOURCES TO COVER LOCAL SHARE ON ANNUAL BASIS

An in-depth evaluation and analysis of the overall financial condition of both the School District and the City was taken into account when optimizing a financial model that allowed for proceeds of \$180,000,000 to be available for the completion of the Phase I Projects as well as optimizing the proceeds to be realized for the completion of all the contemplated school buildings in Phases II through IV. More importantly, and of significant focus and concern of the School District and City, was to keep impact for funding local share debt service at current levels when developing a financial strategy to accomplish all that was hoped for in the Master Plan.

### EVALUATION OF CITY DEBT

A debt profile was constructed that allowed for the presentation of all debt currently outstanding for City purposes. (See Exhibit A). This debt (excluding self-supporting and excludable debt), and its scheduled amortization structure, are believed to provide for an expected pattern of debt issuance by the City that allows for no more debt to be issued than meets the current pattern of retirement. While the current Multiyear Financial Plan and Fiscal Performance Plan (FY 2008-2011) of the City (See Exhibit C) does reflect an increase in debt service payments in the General Fund commencing in the 2009 fiscal year, the City has committed to revisiting this Financial Plan and evaluating the need for such debt issuances as currently contemplated.

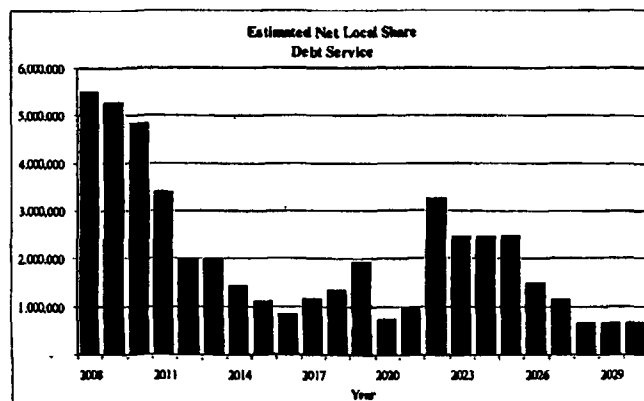
|   | FY 07 Adopted       | FY 08 Adopted       | FY 09 Estimated     | FY 10 Budgeted      | FY 11 Budgeted       |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| Principal - Existing                      | \$ 5,749,027        | \$ 5,493,774        | \$ 4,799,203        | \$ 4,246,294        | \$ 3,714,272         |
| Interest - Existing                       | 13,078,493          | 12,891,489          | 13,584,002          | 12,719,355          | 13,219,390           |
| <b>Total P &amp; I - Existing</b>         | <b>\$18,827,520</b> | <b>\$18,385,263</b> | <b>\$18,383,205</b> | <b>\$16,965,649</b> | <b>\$16,933,662</b>  |
| Principal - New*                          | \$ 0                | \$ 0                | \$ 622,789          | \$ 1,687,251        | \$ 2,772,869         |
| Interest - New*                           | 0                   | 0                   | 0                   | 2,059,225           | 3,790,722            |
| <b>Total P &amp; I - New*</b>             | <b>\$ 0</b>         | <b>\$ 0</b>         | <b>\$ 622,789</b>   | <b>\$ 3,746,476</b> | <b>\$ 6,563,591</b>  |
| <b>Total P &amp; I - Aggregate</b>        | <b>\$18,827,520</b> | <b>\$18,385,263</b> | <b>\$19,005,994</b> | <b>\$20,712,125</b> | <b>\$ 23,497,253</b> |
| CIP Reduction Plan for<br>Total New P & I |                     |                     | (\$ 620,000)        | (\$2,327,000)       | (\$5,112,000)        |

\* projects authorized and in CIP

As a result of the expectation that City General debt will remain at constant levels, it has not been included in the quantitative modelling as presented below.

### EVALUATION OF OUTSTANDING SCHOOL DISTRICT DEBT

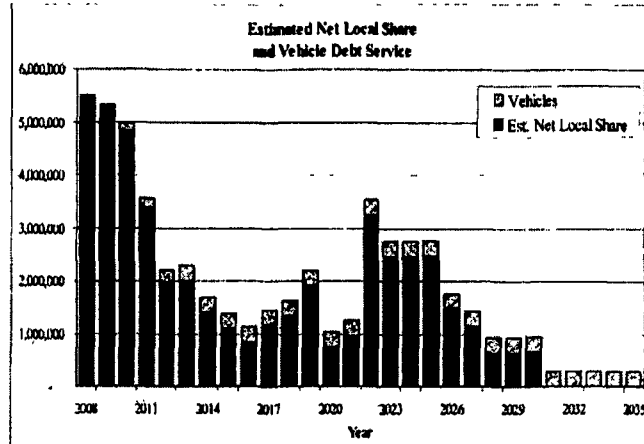
A debt profile was also constructed for the presentation of all debt currently outstanding for School District purposes. More relevant, is the extension of this debt that allows for the exclusion of all building aid expected to be received on such debt. (See Exhibit B). Shown to the right, is the current net debt service, i.e. non-aidable "local share" debt service, expected to be paid by the School District over the life of the outstanding issues. The year in which local share payments are the greatest is the 2008 fiscal year. Since 2008 is the fiscal year in which the School District is currently operating in and this amount has been budgeted and provided for, it was deemed reasonable to assume that this amount of local share could be provided for in each fiscal year moving forward without having to make provisions for budgetary cuts or finding additional revenue sources.





### INCORPORATION OF NEW NON-JSCB DEBT INTO EVALUATION

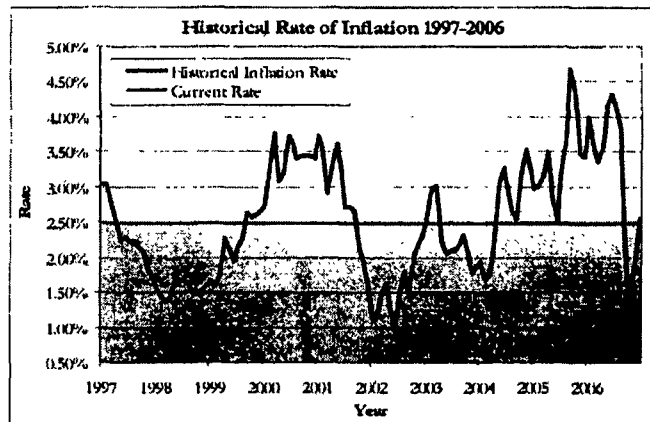
It was recognized that any additional borrowings contemplated by the School District should be built into the modelling assumptions. The School District currently has plans for a capital financing sized at \$13,235,000, however, it is expected that 100% of this debt will be funded with building aid or the use of excels monies. Therefore, the addition of this issue was deemed to have a "net 0" impact on School District budgetary concerns and it has not been included into our modelling assumptions. No other capital projects are contemplated at this time as the JSCB financing is expected to provide for all foreseeable project needs. Vehicle borrowings are expected at the rate of \$500,000 per year of which \$250,000 for buses is expected to be aided. As shown to the right, we have layered the non-aidable component



of the annual vehicle borrowing to our outstanding local share debt service to derive all non-JSCB debt that should be considered when building our model for the Master Plan.

### GROWTH RATE ASSUMPTIONS

Finally, all things being equal, one could argue that most components that make up revenues and expenditures do grow over time, particularly that for debt service. A number of growth measures were



considered for incorporation into the Master Plan model including ten-year historical averages for General City tax rate increase (1.77%), General City School District tax rate increase (3.69%), General Fund City bonded debt (16.04%), School District bonded debt (5.67%), and growth in Assessed Valuation of the City (flat). Wanting to err on the size of conservatism, it was felt prudent to utilize the ten-year historical average for the rate of inflation. This 2.5% ten-year average, coincidentally, is also the current level for such economic predictor.

### FINANCIAL MODELLING OF MASTER PLAN

The final considerations built into the Master Plan model was the recognition that Phase I is just that, Phase I. The Financial Plan presented herein extends well beyond the initial scope expectations of financing the Phase I Projects. Forward thinking consideration was made as to the equal importance of each of the Phases II-IV of the Master Plan to the Syracuse community as well as recognition that the debt model considerations described above need to be adhered to. The following modelling assumptions for each of the four phases of the Master Plan were built into a financial model that provided for \$180 million in proceeds for Phase I to be realized and optimized the proceeds available to be realized in each of Phases II-IV.



| Phase I<br>2007-2008 in Master Plan   | Phase II<br>2009-2012 in Master Plan   | Phase III<br>2012-2014 in Master Plan  | Phase IV<br>2014-2107 in Master Plan   |
|---|--|--|--|
| <b>Tranche I – Inst. of Tech.</b><br>Dated: 2/1/08<br>1 <sup>st</sup> principal: 5/1/09*<br>1 <sup>st</sup> interest: 11/1/08<br>Cap I: none<br><br><b>Tranche I – \$10 mil soft costs</b><br>Dated: 2/1/08<br>1 <sup>st</sup> principal: 5/1/11<br>1 <sup>st</sup> interest: 11/1/08<br>Cap I: through 11/1/10<br><br><b>Tranche II</b><br>Dated: 2/1/09<br>1 <sup>st</sup> principal: 5/1/11<br>1 <sup>st</sup> interest: 11/1/09<br>Cap I: through 11/1/10 | Dated: 2/1/11<br>1 <sup>st</sup> principal: 5/1/13<br>1 <sup>st</sup> interest: 11/1/11<br>Cap I: through 11/1/12  | Dated: 2/1/13<br>1 <sup>st</sup> principal: 5/1/15<br>1 <sup>st</sup> interest: 11/1/13<br>Cap I: through 11/1/14  | Dated: 2/1/15<br>1 <sup>st</sup> principal: 5/1/17<br>1 <sup>st</sup> interest: 11/1/15<br>Cap I: through 11/1/16  |
| Institute of Technology<br>Boddgett Pre K-8 School<br>Shea Middle School<br>H.W. Smith Pre K-8 Sch.<br>Clary Middle School<br>Dr. Weeks Elementary<br>Fowler High School  | Beard Alternative School<br>Nottingham High School<br>Johnson Voc. Center<br>Ed Smith Pre K-8<br>Corcoran High School<br>Danforth Middle School<br>Webster Elementary<br>Grant Middle School<br>Elmwood Elementary<br>McCarthy Alter. School | Huntington Pre K-8<br>Levy Pre K-8 School<br>Delaware Elementary<br>Salem Hyde Elementary<br>Porter Elementary<br>Seymour Elementary<br>Henninger High School<br>Bellevue Elementary<br>Meachem Elementary<br>Hughes Pre K-8 School<br>Van Duyn Elementary | Lincoln Middle School<br>LeMoyne Elementary<br>Roberts Pre K-8 School<br>Franklin Elementary<br>Frazer Pre K-8 School<br>McKinley Bright. Elem.<br>Dr. King Elementary |
| \$224,883,000 Master Plan   | \$254,348,000 Master Plan  | \$276,160,000 Master Plan  | \$170,901,000 Master Plan  |
| \$180,000,000 Expected <sup>1</sup>   | \$201,261,017<br>Model Optimization <sup>2</sup>   | \$235,875,340<br>Model Optimization <sup>2</sup>   | \$145,749,292<br>Model Optimization <sup>2</sup>   |
| 80.0 % of Master Plan Est.  | 79.1 % of Master Plan Est.   | 85.4 % of Master Plan Est.   | 85.3 % of Master Plan Est.   |

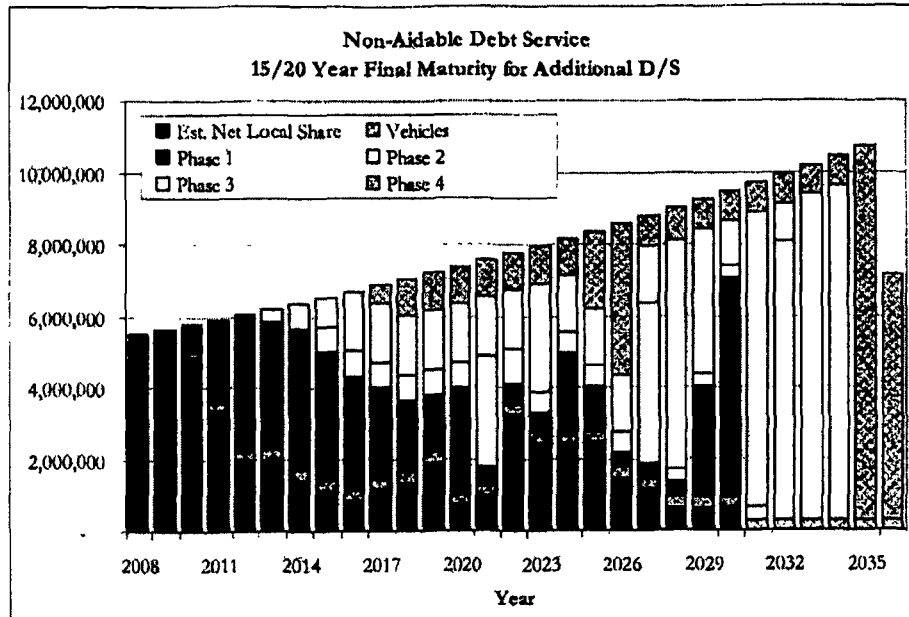
<sup>1</sup> Section 2.A. of the Financial Plan provides details of the \$180 million composition.

<sup>2</sup> Model Optimization of proceeds for Phases II-IV builds in certain assumptions such as (i) interest rates based on current market conditions; (ii) the same pro-rata share of MCA to Master Plan cost estimates are used as in Phase I; (iii) the same pro-rata share of 15 and 20 year projects are used as in Phase I.

\* ½ debt service payment in final year for Institute of Technology coincides with final ½ year payment of State Aid.



The following chart reflects the aggregate expected local share debt service payments of each of Phases I – IV of the Master Plan, together with the existing and other expected local share debt service payments of the School District, providing for a conservative growth equal to the 2.5% rate of inflation.





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### Section 3 - SUMMARY

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The Syracuse City School District has developed a comprehensive Master Plan for addressing the high expectations and demands of the new learning standards and graduation requirement established by the New York State Regents. This Plan calls for the addition of the Institute of Technology @ Syracuse and modifications to existing school facilities to meet the goals listed in Section 2 herein. While the Plan clearly addresses new State requirements, it incorporates support for those instructional programs and student services that are deemed important to the community of Syracuse and support the reduction of dropout rates. Implementation of this Plan and the related facility projects will enable the District to meet the needs of all students.

Schools have been prioritized into Phases I, II, III and IV based on the condition of the building's existing physical plant and the need to geographically balance improvements across each quadrant of the School District. Many factors were considered in developing this Financial Plan for the Phase I Projects, many of which extend well beyond the scope expectations of Phase I. Forward thinking consideration was made as to the financing requirements of Phases II-IV of the Master Plan, as well as how the overall Master Plan fits within the confines and abilities of the City and School District to finance such overall needs and to provide for the payment of non-aidable costs. Some important factors that integrally determined how most prudently to proceed include:

- **Issuing bonds for the Phase I Projects in a two tranche approach.** Issuing Tranche 1 near term will allow for the commencement of project construction for the Institute of Technology as well as provide for \$10 million of monies to pay certain soft costs relative to the remaining schools in this Phase. Allowing for the Program Manager and Architects and Engineers to commence work in preparing plans and specifications for the remaining schools will better allow the School District to finetune cost estimates and SED Maximum Cost Allowances in preparation for the Tranche 2 issuance.
- **Issuing the Phase I Bonds through SIDA rather than the MBBA.** An evaluation of issuing bonds through SIDA and the MBBA was completed and cost savings are expected to be recognized by issuing the bonds through SIDA in the form of reduced borrowing costs and lower overall debt service payments.
- **Issuing the Bonds through SIDA rather than through City GOs.** Careful consideration was made as to the City's limited available debt contracting margin and the recognition, because of this limitation, that City GOs really is not a feasible option based on the financial objectives of Phase I as well as the rest of the Master Plan.
- **Evaluation of Outstanding City debt.** A review of the City's existing debt profile was completed as well as any financing expectations built into the City's Multiyear Financial Plan. The City has committed to revisiting its Multiyear Financial Plan and evaluating the need for any new debt issuances beyond the capacity freed up as a result of outstanding debt amortization.
- **Evaluation of Outstanding School District debt.** A debt profile was constructed for the presentation of all debt currently outstanding for School District purposes. This debt profile provided for the exclusion of all building aid to be received on such debt. Further, any expected borrowings that were earmarked as local share debt was added to the debt profile. It is the intention of the School District to not pay any additional local share debt beyond the current fiscal year level, providing for only a reasonable 2.5% increase each year based on the ten-year historical average of the rate of inflation.
- **Optimization of all debt issued in the Master Plan.** An quantitative optimization model was constructed that allows for \$180 million of proceeds to be available in the project construction fund to pay the Phase I Project costs after all other bonding costs of issuance have been paid, as well as the optimization of proceeds for Phases II-IV, all while adhering to local share debt issuance thresholds.

**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal: | \$18,428,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 1998A<br>1-Dec |                |        |        |     |                                 | \$5,380,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998D (Federally Taxable)<br>15-Dec |        |        |       |   |                  | \$18,848,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998E<br>15-Dec |        |       |     |  |  |
|----------------------------------|--|----------------|--------|--------|-----|---------------------------------|--|--------|--------|-------|---|------------------|---|--------|-------|-----|--|--|
|                                  | Serials  |                |        |        |     |                                 | Serials  |        |        |       |   |                  | Serials   |        |       |     |  |  |
|                                  | Fiscal Year  | Issued         | Out    | Comp   | Y/Y | Int                             | Issued   | Out    | Comp   | Y/Y   | Int   | Issued           | Out   | Comp   | Y/Y   | Int |  |  |
| 2008                             | 218,243  | 218,243        | 5.250% | 4.600% | FSA | 212,500                         | 212,500  | 5.750% | 5.650% | Amtec | 415,590   | 415,590          | 4.000%  | 4.050% | Amtec |     |  |  |
| 2009                             |  |                |        |        |     | 228,846                         | 228,846  | 5.750% | 5.600% | Amtec | 427,814   | 427,814          | 4.000%  | 4.100% | Amtec |     |  |  |
| 2010                             |  |                |        |        |     |                                 |  |        |        |       | 440,837   | 440,837          | 4.125%  | 4.200% | Amtec |     |  |  |
| 2011                             |  |                |        |        |     |                                 |  |        |        |       | 464,483   | 464,483          | 4.250%  | 4.300% | Amtec |     |  |  |
| 2012                             |  |                |        |        |     |                                 |  |        |        |       | 488,930   | 488,930          | 4.375%  | 4.400% | Amtec |     |  |  |
| 2013                             |  |                |        |        |     |                                 |  |        |        |       | 513,376   | 513,376          | 4.500%  | 4.500% | Amtec |     |  |  |
| 2014                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2015                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2016                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2017                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2018                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2019                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2020                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2021                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2022                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2023                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2024                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2025                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2026                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2027                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2028                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2029                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| 2030                             |  |                |        |        |     |                                 |  |        |        |       |   |                  |   |        |       |     |  |  |
| <b>Total:</b>                    | <b>218,243</b>   | <b>218,243</b> |        |        |     | <b>441,346</b>                  | <b>441,346</b>   |        |        |       | <b>2,750,230</b>  | <b>2,750,230</b> |   |        |       |     |  |  |
| <b>Delivery Date:</b>            | 8/13/1998  |                |        |        |     | 12/17/1998                      |  |        |        |       | 12/17/1998  |                  |   |        |       |     |  |  |
| <b>Use of Proceeds:</b>          | Refunding of Series 1991, 1992, 1992A, 1994C and 1994D   |                |        |        |     | Redeem Notes and New Money      |  |        |        |       | New Money   |                  |   |        |       |     |  |  |
| <b>Call Provisions:</b>          | Not subject to early redemption  |                |        |        |     | Not subject to early redemption |  |        |        |       | 12/15/06 and 6/15/07 @ 101%<br>12/15/07 and 6/15/08 @ 100.5%<br>12/15/08 @ 100% |                  |   |        |       |     |  |  |

**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Fiscal Year             | Serials                         |                  |           |        |        | Serials           |                   |         |        |        | Serials                         |                  |         |        |        |
|-------------------------|---------------------------------|------------------|-----------|--------|--------|-------------------|-------------------|---------|--------|--------|---------------------------------|------------------|---------|--------|--------|
|                         | Issued                          | Out              | Comp      | Y/Y    | Ins    | Issued            | Out               | Comp    | Y/Y    | Ins    | Issued                          | Out              | Comp    | Y/Y    | Ins    |
|                         | 2006                            | 1,025,000        | 1,025,000 | 4.250% | 4.340% | MBA               | 727,917           | 727,917 | 4.250% | 3.680% | FGIC                            | 793,007          | 793,007 | 2.500% | 2.750% |
| 2009                    | 1,075,000                       | 1,075,000        | 4.250%    | 4.350% | MBA    | 749,325           | 749,325           | 4.250%  | 3.860% | FGIC   | 813,445                         | 813,445          | 3.000%  | 3.100% | FSA    |
| 2010                    | 1,125,000                       | 1,125,000        | 4.375%    | 4.450% | MBA    | 792,145           | 792,145           | 4.250%  | 4.020% | FGIC   | 837,971                         | 837,971          | 3.250%  | 3.400% | FSA    |
| 2011                    | 1,175,000                       | 1,175,000        | 4.500%    | 4.550% | MBA    | 834,963           | 834,963           | 4.250%  | 4.120% | FGIC   | 866,585                         | 866,585          | 3.500%  | 3.650% | FSA    |
| 2012                    | 1,250,000                       | 1,250,000        | 4.600%    | 4.670% | MBA    | 877,782           | 877,782           | 4.250%  | 4.230% | FGIC   |                                 |                  |         |        |        |
| 2013                    | 1,300,000                       | 1,300,000        | 5.250%    | 4.770% | MBA    | 899,182           | 899,182           | 4.300%  | 4.340% | FGIC   |                                 |                  |         |        |        |
| 2014                    |                                 |                  |           |        |        | 963,420           | 963,420           | 4.400%  | 4.470% | FGIC   |                                 |                  |         |        |        |
| 2015                    |                                 |                  |           |        |        | 1,006,237         | 1,006,237         | 4.500%  | 4.580% | FGIC   |                                 |                  |         |        |        |
| 2016                    |                                 |                  |           |        |        | 1,049,857         | 1,049,857         | 4.625%  | 4.710% | FGIC   |                                 |                  |         |        |        |
| 2017                    |                                 |                  |           |        |        | 1,091,875         | 1,091,875         | 4.700%  | 4.790% | FGIC   |                                 |                  |         |        |        |
| 2018                    |                                 |                  |           |        |        | 1,156,102         | 1,156,102         | 4.800%  | 4.860% | FGIC   |                                 |                  |         |        |        |
| 2019                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2020                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2021                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2022                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2023                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2024                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2025                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2026                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2027                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2028                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2029                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| 2030                    |                                 |                  |           |        |        |                   |                   |         |        |        |                                 |                  |         |        |        |
| <b>Total:</b>           | <b>6,950,000</b>                | <b>6,950,000</b> |           |        |        | <b>10,148,015</b> | <b>10,148,015</b> |         |        |        | <b>3,311,000</b>                | <b>3,311,000</b> |         |        |        |
| <b>Delivery Date:</b>   | 5/10/2001                       |                  |           |        |        | 5/9/2002          |                   |         |        |        | 4/8/2003                        |                  |         |        |        |
| <b>Use of Proceeds:</b> | New Money                       |                  |           |        |        | New Money         |                   |         |        |        | Refunding of Series 1995A       |                  |         |        |        |
| <b>Call Provisions:</b> | Not subject to early redemption |                  |           |        |        | 4/15/12 @ 100%    |                   |         |        |        | Not subject to early redemption |                  |         |        |        |



**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$17,657,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003B<br>1-Nov |                   |        |        |     |                   | \$12,842,900<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004B<br>15-Apr |        |        |     |                                 |                | \$2,839,391<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2004C (Federally Taxable)<br>15-May |     |      |     |  |     |
|------------------|--|-------------------|--------|--------|-----|-------------------|---|--------|--------|-----|---------------------------------|----------------|--|-----|------|-----|--|-----|
|                  | Serials  |                   |        |        |     | Ins               | Serials   |        |        |     |                                 | Ins            | Serials  |     |      |     |  | Ins |
|                  | Issued   | Out               | Coup   | Y/Y    |     |                   | Issued  | Out    | Coup   | Y/Y |                                 |                | Issued   | Out | Coup | Y/Y |  |     |
| 2008             | 927,128  | 927,128           | 4.000% | 2.856% | FSA | 673,869           | 673,869   | 5.000% | 3.000% | FSA | 415,478                         | 415,478        | 4.000%   | NRD | FSA  |     |  |     |
| 2009             | 972,351  | 972,351           | 3.000% | 2.440% | FSA | 695,505           | 695,505   | 5.000% | 3.300% | FSA | 434,363                         | 434,363        | 4.125%   | NRD | FSA  |     |  |     |
| 2010             | 994,965  | 994,965           | 3.000% | 2.700% | FSA | 740,376           | 740,376   | 4.500% | 3.550% | FSA |                                 |                |  |     |      |     |  |     |
| 2011             | 1,040,191  | 1,040,191         | 3.000% | 3.000% | FSA | 762,812           | 762,812   | 4.250% | 3.800% | FSA |                                 |                |  |     |      |     |  |     |
| 2012             | 1,085,416  | 1,085,416         | 3.250% | 3.300% | FSA | 807,683           | 807,683   | 4.250% | 4.000% | FSA |                                 |                |  |     |      |     |  |     |
| 2013             | 1,130,643  | 1,130,643         | 3.375% | 3.450% | FSA | 830,119           | 830,119   | 4.125% | 4.125% | FSA |                                 |                |  |     |      |     |  |     |
| 2014             | 1,175,868  | 1,175,868         | 3.500% | 3.570% | FSA | 874,990           | 874,990   | 4.250% | 4.250% | FSA |                                 |                |  |     |      |     |  |     |
| 2015             | 1,221,094  | 1,221,094         | 3.625% | 3.730% | FSA | 897,426           | 897,426   | 4.375% | 4.400% | FSA |                                 |                |  |     |      |     |  |     |
| 2016             | 1,266,320  | 1,266,320         | 3.750% | 3.830% | FSA | 942,297           | 942,297   | 4.500% | 4.500% | FSA |                                 |                |  |     |      |     |  |     |
| 2017             | 1,329,636  | 1,329,636         | 3.750% | 3.930% | FSA | 987,169           | 987,169   | 4.500% | 4.550% | FSA |                                 |                |  |     |      |     |  |     |
| 2018             | 1,379,385  | 1,379,385         | 4.000% | 4.050% | FSA | 1,009,604         | 1,009,604   | 4.625% | 4.625% | FSA |                                 |                |  |     |      |     |  |     |
| 2019             |  |                   |        |        |     | 1,054,475         | 1,054,475   | 4.750% | 4.700% | FSA |                                 |                |  |     |      |     |  |     |
| 2020             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2021             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2022             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2023             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2024             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2025             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2026             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2027             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2028             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2029             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| 2030             |  |                   |        |        |     |                   |   |        |        |     |                                 |                |  |     |      |     |  |     |
| <b>Totals</b>    | <b>12,522,995</b>  | <b>12,522,995</b> |        |        |     | <b>10,275,525</b> | <b>10,275,525</b>   |        |        |     | <b>849,841</b>                  | <b>849,841</b> |  |     |      |     |  |     |
| Delivery Date:   | 5/8/2003   |                   |        |        |     | 5/27/2004         |   |        |        |     | 5/27/2004                       |                |  |     |      |     |  |     |
| Use of Proceeds: | New Money  |                   |        |        |     | New Money         |   |        |        |     | New Money                       |                |  |     |      |     |  |     |
| Call Provisions: | 11/1/13 @ 100%   |                   |        |        |     | 4/15/14 @ 100%    |   |        |        |     | Not subject to early redemption |                |  |     |      |     |  |     |

**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Fiscal<br>Year          | \$8,264,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004F<br>15-Oct |                  |        |        |     | \$8,472,344<br>City of Syracuse<br>Onondaga County, New York<br>Premium Obligation Bonds<br>Series 2004G (Federally-Taxable)<br>15-Oct |                  |        |        |     | \$17,938,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005B<br>1-Mar |                  |        |        |      |
|-------------------------|--|------------------|--------|--------|-----|--|------------------|--------|--------|-----|--|------------------|--------|--------|------|
|                         | Serials  |                  |        |        |     | Serials  |                  |        |        |     | Serials  |                  |        |        |      |
|                         | Issued   | Out              | Coup   | Y/P    | Ins | Issued   | Out              | Coup   | Y/P    | Ins | Issued   | Out              | Coup   | Y/P    | Ins  |
| 2006                    | 611,410  | 611,410          | 3.000% | 3.000% | XL  | 633,360  | 633,360          | 4.000% | 3.300% | XL  | 365,127  | 365,127          | 6.000% | 2.000% | MBIA |
| 2009                    | 630,667  | 630,667          | 3.000% | 3.300% | XL  | 674,642  | 674,642          | 4.000% | 3.620% | XL  | 377,718  | 377,718          | 4.000% | 2.850% | MBIA |
| 2010                    | 649,924  | 649,924          | 3.250% | 2.600% | XL  | 704,158  | 704,158          | 4.000% | 3.860% | XL  | 390,308  | 390,308          | 4.000% | 3.800% | MBIA |
| 2011                    | 698,067  | 698,067          | 3.250% | 2.850% | XL  | 737,890  | 737,890          | 4.250% | 4.100% | XL  | 402,899  | 402,899          | 4.000% | 3.100% | MBIA |
| 2012                    | 722,138  | 722,138          | 3.250% | 3.050% | XL  | 780,855  | 780,855          | 4.500% | 4.340% | XL  | 428,080  | 428,080          | 4.000% | 3.250% | MBIA |
| 2013                    | 746,209  | 746,209          | 3.500% | 3.200% | XL  | 801,138  | 801,138          | 4.625% | 4.520% | XL  | 440,671  | 440,671          | 4.000% | 3.350% | MBIA |
| 2014                    | 764,724  | 764,724          | 3.500% | 3.350% | XL  | 843,303  | 843,303          | 4.750% | 4.670% | XL  | 465,852  | 465,852          | 4.000% | 3.450% | MBIA |
| 2015                    | 813,009  | 813,009          | 3.750% | 3.500% | XL  | 885,468  | 885,468          | 4.750% | 4.750% | XL  | 478,442  | 478,442          | 4.000% | 3.550% | MBIA |
| 2016                    | 842,495  | 842,495          | 3.750% | 3.650% | XL  |  |                  |        |        |     | 583,824  | 503,824          | 4.000% | 3.650% | MBIA |
| 2017                    | 866,566  | 866,566          | 3.750% | 3.750% | XL  |  |                  |        |        |     | 516,214  | 516,214          | 4.000% | 3.750% | MBIA |
| 2018                    |  |                  |        |        |     |  |                  |        |        |     | 541,395  | 541,395          | 4.000% | 3.850% | MBIA |
| 2019                    |  |                  |        |        |     |  |                  |        |        |     | 566,577  | 566,577          | 4.000% | 3.900% | MBIA |
| 2020                    |  |                  |        |        |     |  |                  |        |        |     | 591,758  | 591,758          | 4.000% | 3.950% | MBIA |
| 2021                    |  |                  |        |        |     |  |                  |        |        |     | 616,939  | 616,939          | 4.000% | 4.000% | MBIA |
| 2022                    |  |                  |        |        |     |  |                  |        |        |     | 642,120  | 642,120          | 4.000% | 4.050% | MBIA |
| 2023                    |  |                  |        |        |     |  |                  |        |        |     | 667,301  | 667,301          | 4.000% | 4.100% | MBIA |
| 2024                    |  |                  |        |        |     |  |                  |        |        |     | 692,482  | 692,482          | 4.125% | 4.150% | MBIA |
| 2025                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| 2026                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| 2027                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| 2028                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| 2029                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| 2030                    |  |                  |        |        |     |  |                  |        |        |     |  |                  |        |        |      |
| <b>Total:</b>           | <b>7,365,809</b>   | <b>7,365,809</b> |        |        |     | <b>6,980,214</b>   | <b>6,980,214</b> |        |        |     | <b>8,687,587</b>   | <b>8,687,587</b> |        |        |      |
| <b>Delivery Date:</b>   | 10/21/2004   |                  |        |        |     | 10/21/2004   |                  |        |        |     | 6/22/2005  |                  |        |        |      |
| <b>Use of Proceeds:</b> | New Money  |                  |        |        |     | New Money  |                  |        |        |     | New Money  |                  |        |        |      |
| <b>Call Provisions:</b> | Not subject to early redemption  |                  |        |        |     | Not subject to early redemption  |                  |        |        |     | 3/1/2015 @ 100%  |                  |        |        |      |

**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Fiscal Year             | \$36,400,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005A<br>1-Oct |                  |        |        |     |                  | \$14,275,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005B<br>15-Apr |        |        |     |     |                  | \$3,061,793<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2005D (Federally Taxable)<br>1-Nov |        |      |      |     |  |
|-------------------------|--|------------------|--------|--------|-----|------------------|---|--------|--------|-----|-----|------------------|---|--------|------|------|-----|--|
|                         | Serials  |                  |        |        |     |                  | Serials   |        |        |     |     |                  | Serials   |        |      |      |     |  |
|                         | Issued   | Out              | Coup   | Y/Y    | Ins |                  | Issued  | Out    | Coup   | Y/Y | Ins |                  | Issued  | Out    | Coup | Y/Y  | Ins |  |
| 2004                    | 802,822  | 802,822          | 3.000% | 2.800% | FSA | 990,913          | 990,913   | N/A    | 2.930% | FSA |     | 330,000          | 330,000   | 5.200% | NRO  | MBIA |     |  |
| 2009                    | 829,639  | 829,639          | N/A    | 2.960% | FSA | 1,002,008        | 1,002,008   | N/A    | 3.070% | FSA |     | 350,000          | 350,000   | 5.200% | NRO  | MBIA |     |  |
| 2010                    | 854,779  | 854,779          | N/A    | 3.130% | FSA | 900,050          | 900,850   | 3.122% | 3.230% | FSA |     | 365,000          | 365,000   | 5.200% | NRO  | MBIA |     |  |
| 2011                    | 883,272  | 883,272          | N/A    | 3.280% | FSA | 821,144          | 821,144   | N/A    | 3.380% | FSA |     | 385,000          | 385,000   | 5.200% | NRO  | MBIA |     |  |
| 2012                    | 911,764  | 911,764          | N/A    | 3.430% | FSA | 949,271          | 949,271   | N/A    | 3.520% | FSA |     | 405,000          | 405,000   | 5.200% | NRO  | MBIA |     |  |
| 2013                    | 945,285  | 945,285          | N/A    | 3.570% | FSA | 966,850          | 966,850   | N/A    | 3.640% | FSA |     | 425,000          | 425,000   | 5.200% | NRO  | MBIA |     |  |
| 2014                    | 977,130  | 977,130          | N/A    | 3.670% | FSA | 998,492          | 998,492   | 3.500% | 3.720% | FSA |     | 445,000          | 445,000   | 5.200% | NRO  | MBIA |     |  |
| 2015                    | 1,017,355  | 1,017,355        | N/A    | 3.750% | FSA | 1,009,040        | 1,009,040   | 4.500% | 3.800% | FSA |     | 455,000          | 455,000   | 5.200% | NRO  | MBIA |     |  |
| 2016                    |  |                  |        |        |     | 87,895           | 87,895  | 3.625% | 3.820% | FSA |     | 480,000          | 480,000   | 5.200% | NRO  | MBIA |     |  |
| 2017                    |  |                  |        |        |     | 87,895           | 87,895  | 3.750% | 4.030% | FSA |     |                  |   |        |      |      |     |  |
| 2018                    |  |                  |        |        |     | 84,380           | 84,380  | 4.000% | 4.130% | FSA |     |                  |   |        |      |      |     |  |
| 2019                    |  |                  |        |        |     | 66,801           | 66,801  | 4.000% | 4.200% | FSA |     |                  |   |        |      |      |     |  |
| 2020                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2021                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2022                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2023                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2024                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2025                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2026                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2027                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2028                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2029                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| 2030                    |  |                  |        |        |     |                  |   |        |        |     |     |                  |   |        |      |      |     |  |
| <b>Total:</b>           | <b>7,222,846</b>   | <b>7,222,046</b> |        |        |     | <b>8,054,739</b> | <b>8,054,739</b>  |        |        |     |     | <b>3,640,000</b> | <b>3,640,000</b>  |        |      |      |     |  |
| <b>Delivery Date:</b>   | 7/29/2005  |                  |        |        |     |                  | 7/28/2005   |        |        |     |     |                  | 1/13/2005   |        |      |      |     |  |
| <b>Use of Proceeds:</b> | Refunding of Series 1998B  |                  |        |        |     |                  | Refunding of Series 1999A and 2000A   |        |        |     |     |                  | New Money   |        |      |      |     |  |
| <b>Call Provisions:</b> | Not subject to early redemption  |                  |        |        |     |                  | Not subject to early redemption   |        |        |     |     |                  | Not subject to early redemption   |        |      |      |     |  |

**City of Syracuse**  
**Onondaga County, New York**  
**General City Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$25,990,330<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2006A<br>15-Jun |                   |        |        |      | \$9,823,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2007B<br>1-Dec |                  |        |        |      |
|------------------|---|-------------------|--------|--------|------|---|------------------|--------|--------|------|
|                  | Serials   |                   |        |        |      | Serials   |                  |        |        |      |
|                  | Issued  | Out               | Coup   | Y/P    | Ins  | Issued  | Out              | Coup   | Y/P    | Ins  |
| 2008             | 458,701   | 458,701           | 6.000% | 3.450% | MBIA |   |                  |        |        |      |
| 2009             | 478,206   | 478,206           | 6.000% | 3.500% | MBIA | 457,302   | 457,302          | 4.000% | 3.500% | CIFG |
| 2010             | 506,336   | 506,336           | 6.000% | 3.550% | MBIA | 483,406   | 483,406          | 4.000% | 3.550% | CIFG |
| 2011             | 520,401   | 520,401           | 5.500% | 3.600% | MBIA | 507,577   | 507,577          | 4.000% | 3.600% | CIFG |
| 2012             | 548,530   | 548,530           | 5.250% | 3.650% | MBIA | 531,747   | 531,747          | 4.000% | 3.640% | CIFG |
| 2013             | 576,660   | 576,660           | 5.250% | 3.750% | MBIA | 531,747   | 531,747          | 4.000% | 3.670% | CIFG |
| 2014             | 590,725   | 590,725           | 5.000% | 3.850% | MBIA | 580,068   | 580,068          | 4.000% | 3.700% | CIFG |
| 2015             | 618,855   | 618,855           | 5.000% | 3.950% | MBIA | 604,258   | 604,258          | 4.000% | 3.750% | CIFG |
| 2016             | 646,985   | 646,985           | 4.000% | 4.000% | MBIA | 628,428   | 628,428          | 4.000% | 3.800% | CIFG |
| 2017             | 675,114   | 675,114           | 4.000% | 4.020% | MBIA | 652,599   | 652,599          | 4.000% | 3.850% | CIFG |
| 2018             | 717,309   | 717,309           | 4.000% | 4.100% | MBIA | 676,769   | 676,769          | 5.000% | 4.000% | CIFG |
| 2019             | 745,439   | 745,439           | 4.125% | 4.150% | MBIA | 700,939   | 700,939          | 5.000% | 4.050% | CIFG |
| 2020             | 787,633   | 787,633           | 4.125% | 4.200% | MBIA | 749,280   | 749,280          | 4.000% | 4.000% | CIFG |
| 2021             | 815,763   | 815,763           | 4.250% | 4.250% | MBIA | 773,450   | 773,450          | 4.000% | 4.050% | CIFG |
| 2022             | 857,958   | 857,958           | 4.250% | 4.300% | MBIA | 797,620   | 797,620          | 4.000% | 4.100% | CIFG |
| 2023             | 886,088   | 886,088           | 4.250% | 4.330% | MBIA | 821,791   | 821,791          | 4.000% | 4.150% | CIFG |
| 2024             | 928,282   | 928,282           | 4.250% | 4.350% | MBIA |   |                  |        |        |      |
| 2025             | 970,477   | 970,477           | 4.375% | 4.375% | MBIA |   |                  |        |        |      |
| 2026             | 1,012,672   | 1,012,672         | 4.375% | 4.400% | MBIA |   |                  |        |        |      |
| 2027             | 1,054,866   | 1,054,866         | 4.375% | 4.420% | MBIA |   |                  |        |        |      |
| 2028             |   |                   |        |        |      |   |                  |        |        |      |
| 2029             |   |                   |        |        |      |   |                  |        |        |      |
| 2030             |   |                   |        |        |      |   |                  |        |        |      |
| <b>Total:</b>    | <b>14,397,000</b>   | <b>14,397,000</b> |        |        |      | <b>9,497,001</b>  | <b>9,497,001</b> |        |        |      |
| Delivery Date:   | 6/20/2006   |                   |        |        |      | 6/6/2007  |                  |        |        |      |
| Use of Proceeds: | New Money   |                   |        |        |      | New Money   |                  |        |        |      |
| Call Provisions: | 6/15/16 @ 100%  |                   |        |        |      | 12/1/17 @ 100%  |                  |        |        |      |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile**  
*As of November 2007*

| Fiscal Year     | \$48,078,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 1993A<br>15-Feb |                  |        |        |     | \$38,438,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 1998A<br>1-Dec |                  |        |        |     | \$18,840,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998C<br>15-Dec |                  |        |        |       | \$18,300,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2001A<br>1-May |                  |        |        |       |
|-----------------|---|------------------|--------|--------|-----|--|------------------|--------|--------|-----|---|------------------|--------|--------|-------|--|------------------|--------|--------|-------|
|                 | Series A  |                  |        |        |     | Series B   |                  |        |        |     | Series C  |                  |        |        |       | Series D   |                  |        |        |       |
|                 | Issued  | Out              | Comp   | Y/P    | Int | Issued   | Out              | Comp   | Y/P    | Int | Issued  | Out              | Comp   | Y/P    | Int   | Issued   | Out              | Comp   | Y/P    | Int   |
| 2000            | 1,196,140   | 1,196,140        | 5.100% | 5.150% |     | 2,440,000  | 2,440,000        | 5.250% | 4.600% | FSA | 94,225  | 184,225          | 4.000% | 4.050% | Ambac | 540,000  | 540,000          | 4.500% | 4.500% | Ambac |
| 2009            | 1,176,745   | 1,176,745        | 5.125% | 5.200% |     | 2,440,000  | 2,440,000        | 5.250% | 4.650% | FSA | 395,526   | 395,526          | 4.000% | 4.100% | Ambac | 525,000  | 525,000          | 4.500% | 4.500% | Ambac |
| 2010            | 931,479   | 931,479          | 5.125% | 5.200% |     | 2,500,000  | 2,500,000        | 5.250% | 4.700% | FSA | 406,827   | 406,827          | 4.125% | 4.200% | Ambac | 575,000  | 575,000          | 4.500% | 4.500% | Ambac |
| 2011            | 597,422   | 597,422          | 5.125% | 5.200% |     | 1,115,001  | 1,115,001        | 5.200% | 4.830% | FSA | 429,428   | 429,428          | 4.250% | 4.300% | Ambac | 600,000  | 600,000          | 4.500% | 4.500% | Ambac |
| 2012            |   |                  |        |        |     | 75,000   | 75,000           | 4.800% | 4.800% | FSA | 452,830   | 452,830          | 4.275% | 4.600% | Ambac | 625,000  | 625,000          | 5.000% | 4.670% | Ambac |
| 2013            |   |                  |        |        |     | 110,000  | 110,000          | 4.875% | 4.950% | FSA | 474,631   | 474,631          | 4.900% | 4.500% | Ambac | 650,000  | 650,000          | 4.200% | 4.770% | Ambac |
| 2014            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2015            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2016            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2017            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2018            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2019            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2020            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2021            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2022            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2023            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2024            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2025            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2026            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2027            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2028            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2029            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| 2030            |   |                  |        |        |     |  |                  |        |        |     |   |                  |        |        |       |  |                  |        |        |       |
| <b>Total</b>    | <b>3,904,286</b>  | <b>3,904,286</b> |        |        |     | <b>8,700,001</b>   | <b>8,700,001</b> |        |        |     | <b>2,542,667</b>  | <b>2,542,667</b> |        |        |       | <b>8,100,000</b>   | <b>8,100,000</b> |        |        |       |
| Delivery Dates  | 2/29/1993   |                  |        |        |     | 1/13/1998  |                  |        |        |     | 12/15/1998  |                  |        |        |       | 5/10/2001  |                  |        |        |       |
| Use of Proceeds | Refunding of Series 1988, 1990 and 1991   |                  |        |        |     | Refunding of Series 1991, 1992, 1992A, 1994C and 1994D   |                  |        |        |     | New Money   |                  |        |        |       | New Money  |                  |        |        |       |
| Call Provisions | Not subject to early redemption   |                  |        |        |     | Not subject to early redemption  |                  |        |        |     | 12/15/06 and 6/15/07 @ 101%<br>12/15/07 and 6/15/08 @ 100.5%<br>12/15/08 @ 100%                                     |                  |        |        |       | 5/1/11 and 11/1/11 @ 101%<br>5/1/12 and 11/1/12 @ 100.5%<br>5/1/13 @ 100%  |                  |        |        |       |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile**  
*As of November 2007*

| Fiscal Year             | 28,119,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2001D<br>15-Nov |                  |        |        |      | 313,855,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2002A<br>1-May |                   |        |        |       | 38,034,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003A<br>15-Oct |                |        |        |     | 38,535,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003C<br>15-Jan |               |        |        |     |
|-------------------------|---|------------------|--------|--------|------|---|-------------------|--------|--------|-------|---|----------------|--------|--------|-----|---|---------------|--------|--------|-----|
|                         | Serials   |                  |        |        |      | Serials   |                   |        |        |       | Serials   |                |        |        |     | Serials   |               |        |        |     |
|                         | Issued  | Out              | Comp   | Y/P    | Int  | Issued  | Out               | Comp   | Y/P    | Int   | Issued  | Out            | Comp   | Y/P    | Int | Issued  | Out           | Comp   | Y/P    | Int |
| 2008                    | 421,000   | 420,000          | 4.250% | 4.130% | PGIC | 521,000   | 525,000           | 4.250% | 3.800% | Ambac | 290,000   | 288,000        | 3.500% | 2.750% | PSA | 7,859   | 7,959         | 3.500% | 2.750% | PSA |
| 2009                    | 440,000   | 440,000          | 4.250% | 4.330% | PGIC | 550,000   | 550,000           | 4.250% | 3.840% | Ambac | 290,000   | 280,000        | 3.800% | 3.100% | PSA | 8,164   | 8,164         | 3.000% | 3.100% | PSA |
| 2010                    | 455,000   | 455,000          | 4.300% | 4.490% | PGIC | 575,000   | 575,000           | 4.250% | 4.820% | Ambac | 270,000   | 270,000        | 3.125% | 3.400% | PSA | 8,410   | 8,410         | 3.250% | 3.400% | PSA |
| 2011                    | 475,000   | 475,000          | 4.300% | 4.600% | PGIC | 600,000   | 600,000           | 4.250% | 4.120% | Ambac | 70,000  | 70,000         | 3.250% | 3.650% | PSA | 8,697   | 8,697         | 3.500% | 3.650% | PSA |
| 2012                    | 500,000   | 500,000          | 5.000% | 4.700% | PGIC | 625,000   | 625,000           | 4.250% | 4.220% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2013                    | 525,000   | 525,000          | 4.750% | 4.820% | PGIC | 650,000   | 650,000           | 4.300% | 4.340% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2014                    | 550,000   | 550,000          | 4.750% | 4.920% | PGIC | 700,000   | 700,000           | 4.400% | 4.470% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2015                    | 575,000   | 575,000          | 5.000% | 5.020% | PGIC | 725,000   | 725,000           | 4.500% | 4.580% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2016                    | 600,000   | 600,000          | 5.000% | 5.110% | PGIC | 775,000   | 775,000           | 5.000% | 4.710% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2017                    | 630,000   | 630,000          | 5.000% | 5.150% | PGIC | 800,000   | 800,000           | 5.000% | 4.790% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2018                    | 645,000   | 645,000          | 5.000% | 5.170% | PGIC | 850,000   | 850,000           | 5.000% | 4.840% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2019                    | 675,000   | 675,000          | 5.000% | 5.200% | PGIC | 900,000   | 900,000           | 5.000% | 4.940% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2020                    |   |                  |        |        |      | 925,000   | 925,000           | 5.000% | 5.000% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2021                    |   |                  |        |        |      | 975,000   | 975,000           | 5.000% | 5.050% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2022                    |   |                  |        |        |      | 1,025,000   | 1,025,000         | 5.000% | 5.090% | Ambac |   |                |        |        |     |   |               |        |        |     |
| 2023                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2024                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2025                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2026                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2027                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2028                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2029                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| 2030                    |   |                  |        |        |      |   |                   |        |        |       |   |                |        |        |     |   |               |        |        |     |
| <b>Total</b>            | <b>6,510,000</b>  | <b>6,510,000</b> |        |        |      | <b>11,300,000</b>   | <b>11,300,000</b> |        |        |       | <b>900,000</b>  | <b>900,000</b> |        |        |     | <b>33,230</b>   | <b>33,230</b> |        |        |     |
| <b>Delivery Date:</b>   | 1/1/2002  |                  |        |        |      | 5/1/2002  |                   |        |        |       | 4/1/2003  |                |        |        |     | 4/1/2003  |               |        |        |     |
| <b>Use of Proceeds:</b> | Refund BOND   |                  |        |        |      | New Money   |                   |        |        |       | Refunding of Series 1993C&D   |                |        |        |     | Refunding of Series 1995A   |               |        |        |     |
| <b>Call Provisions:</b> | 11/15/13 @ 100%   |                  |        |        |      | 5/1/12 @ 100  |                   |        |        |       | Not subject to early redemption   |                |        |        |     | Not subject to early redemption   |               |        |        |     |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$7,296,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003A<br>1-Nov |                  |        |        |     | \$7,600,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004A<br>15-May |                  |        |        |     | \$2,258,391<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2004C<br>15-May |                |        |     |                   | \$12,374,900<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004E<br>15-Oct |         |        |        |     |
|------------------|---|------------------|--------|--------|-----|--|------------------|--------|--------|-----|--|----------------|--------|-----|-------------------|---|---------|--------|--------|-----|
|                  | Serials   |                  |        |        |     | Serials  |                  |        |        |     | Serials  |                |        |     |                   | Serials   |         |        |        |     |
|                  | Issued  | Out              | Comp   | Y/P    | Int | Issued   | Out              | Comp   | Y/P    | Int | Issued   | Out            | Comp   | Y/P | Int               | Issued  | Out     | Comp   | Y/P    | Int |
| 2008             | 391,000   | 390,000          | 3.000% | 2.050% | FSA | 725,000  | 725,000          | 3.250% | 3.000% | FSA | 134,522  | 134,522        | 4.000% | NRO | FSA               | 450,000   | 450,000 | 3.750% | 2.800% | XL  |
| 2009             | 405,000   | 405,000          | 3.300% | 2.400% | FSA | 750,000  | 750,000          | 3.750% | 3.300% | FSA | 140,637  | 140,637        | 4.125% | NRO | FSA               | 475,000   | 475,000 | 3.750% | 2.900% | XL  |
| 2010             | 425,000   | 425,000          | 3.000% | 2.700% | FSA | 775,000  | 775,000          | 3.750% | 3.500% | FSA |  |                |        |     |                   | 500,000   | 500,000 | 3.750% | 2.600% | XL  |
| 2011             | 430,000   | 430,000          | 3.000% | 3.000% | FSA | 800,000  | 800,000          | 4.000% | 3.800% | FSA |  |                |        |     |                   | 500,000   | 500,000 | 3.750% | 2.850% | XL  |
| 2012             | 450,000   | 450,000          | 3.250% | 3.300% | FSA | 850,000  | 850,000          | 4.000% | 4.000% | FSA |  |                |        |     |                   | 550,000   | 550,000 | 3.750% | 3.050% | XL  |
| 2013             | 475,000   | 475,000          | 3.500% | 3.450% | FSA | 875,000  | 875,000          | 4.125% | 4.125% | FSA |  |                |        |     |                   | 575,000   | 575,000 | 3.750% | 3.300% | XL  |
| 2014             | 500,000   | 500,000          | 3.500% | 3.570% | FSA | 900,000  | 900,000          | 4.250% | 4.250% | FSA |  |                |        |     |                   | 600,000   | 600,000 | 3.750% | 3.300% | XL  |
| 2015             | 520,000   | 520,000          | 3.630% | 3.730% | FSA |  |                  |        |        |     |  |                |        |     | 600,000           | 600,000   | 4.000%  | 3.500% | XL     |     |
| 2016             | 535,000   | 535,000          | 3.750% | 3.680% | FSA |  |                  |        |        |     |  |                |        |     | 625,000           | 625,000   | 4.000%  | 3.650% | XL     |     |
| 2017             | 540,000   | 540,000          | 3.675% | 3.950% | FSA |  |                  |        |        |     |  |                |        |     | 675,000           | 675,000   | 4.000%  | 3.700% | XL     |     |
| 2018             | 575,000   | 575,000          | 4.000% | 4.050% | FSA |  |                  |        |        |     |  |                |        |     | 700,000           | 700,000   | 4.000%  | 3.800% | XL     |     |
| 2019             | 600,000   | 600,000          | 4.000% | 4.100% | FSA |  |                  |        |        |     |  |                |        |     | 725,000           | 725,000   | 4.000%  | 3.900% | XL     |     |
| 2020             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 750,000           | 750,000   | 4.000%  | 4.000% | XL     |     |
| 2021             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 775,000           | 775,000   | 4.000%  | 4.050% | XL     |     |
| 2022             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 800,000           | 800,000   | 4.000%  | 4.100% | XL     |     |
| 2023             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 850,000           | 850,000   | 4.125%  | 4.150% | XL     |     |
| 2024             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 875,000           | 875,000   | 4.250%  | 4.250% | XL     |     |
| 2025             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     | 925,000           | 925,000   | 4.250%  | 4.300% | XL     |     |
| 2026             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     |                   |   |         |        |        |     |
| 2027             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     |                   |   |         |        |        |     |
| 2028             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     |                   |   |         |        |        |     |
| 2029             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     |                   |   |         |        |        |     |
| 2030             |   |                  |        |        |     |  |                  |        |        |     |  |                |        |     |                   |   |         |        |        |     |
| <b>Total:</b>    | <b>5,015,000</b>  | <b>5,015,000</b> |        |        |     | <b>3,675,000</b>   | <b>3,675,000</b> |        |        |     | <b>275,159</b>   | <b>275,159</b> |        |     | <b>11,950,000</b> | <b>11,950,000</b>   |         |        |        |     |
| Delivery Dates:  | 5/6/2001  |                  |        |        |     | 5/21/2004  |                  |        |        |     | 5/23/2004  |                |        |     |                   | 10/21/2004  |         |        |        |     |
| Use of Proceeds: | New Money   |                  |        |        |     | New Money  |                  |        |        |     | New Money  |                |        |     |                   | New Money   |         |        |        |     |
| Call Provisions: | 11/1/13 GP 100  |                  |        |        |     | Not subject to early redemption  |                  |        |        |     | Not subject to early redemption  |                |        |     |                   | 10/15/14 GR 100   |         |        |        |     |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile**  
*As of November 2007*

| Fisc<br>Year     | \$8,172,341<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2004C<br>15-Oct |                  |        |        |     |                  | \$4,450,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005A<br>15-Jun |        |        |       |     |                  | \$26,480,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2006A<br>1-Oct |        |        |     |     |                  | \$14,275,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2007B<br>15-Apr |        |        |     |     |     |
|------------------|--|------------------|--------|--------|-----|------------------|--|--------|--------|-------|-----|------------------|--|--------|--------|-----|-----|------------------|---|--------|--------|-----|-----|-----|
|                  | Serials  |                  |        |        |     |                  | Serials  |        |        |       |     |                  | Serials  |        |        |     |     |                  | Serials   |        |        |     |     |     |
|                  | Issued   | Out              | Comp   | Y/Y    | Int |                  | Issued   | Out    | Comp   | Y/Y   | Int | Ass              | Issued   | Out    | Comp   | Y/Y | Int | Ass              | Issued  | Out    | Comp   | Y/Y | Int | Ass |
| 2000             | 121,540  | 121,540          | 4.800% | 3.300% | XL  | 155,000          | 155,000  | 5.800% | 2.850% | Ambac |     | 815,231          | 815,231  | 3.800% | 2.800% | FSA |     | 211,941          | 211,941   | N/A    | 3.200% | FSA |     |     |
| 2009             | 125,356  | 125,354          | 4.800% | 3.250% | XL  | 160,000          | 160,000  | 5.800% | 2.950% | Ambac |     | 842,642          | 842,642  | N/A    | 2.900% | FSA |     | 216,099          | 216,099   | N/A    | 3.070% | FSA |     |     |
| 2010             | 130,842  | 130,842          | 4.800% | 3.860% | XL  | 175,000          | 175,000  | 5.800% | 3.100% | Ambac |     | 867,991          | 867,991  | N/A    | 3.130% | FSA |     | 194,666          | 194,666   | 3.125% | 3.130% | FSA |     |     |
| 2011             | 137,110  | 137,110          | 4.250% | 4.180% | XL  | 180,000          | 180,000  | 5.800% | 3.280% | Ambac |     | 896,924          | 896,924  | N/A    | 3.200% | FSA |     | 199,827          | 199,827   | N/A    | 3.180% | FSA |     |     |
| 2012             | 144,945  | 144,945          | 4.500% | 4.340% | XL  | 195,000          | 195,000  | 4.500% | 3.290% | Ambac |     | 925,857          | 925,857  | N/A    | 3.430% | FSA |     | 205,104          | 205,104   | N/A    | 3.320% | FSA |     |     |
| 2013             | 148,862  | 148,862          | 4.625% | 4.320% | XL  | 200,000          | 200,000  | 4.500% | 3.290% | Ambac |     | 959,896          | 959,896  | N/A    | 3.570% | FSA |     | 208,982          | 208,982   | N/A    | 3.680% | FSA |     |     |
| 2014             | 156,897  | 156,897          | 4.750% | 4.670% | XL  | 208,000          | 208,000  | 4.000% | 3.490% | Ambac |     | 992,233          | 992,233  | N/A    | 3.670% | FSA |     | 215,739          | 215,739   | 3.500% | 3.720% | FSA |     |     |
| 2015             | 164,532  | 164,532          | 4.750% | 4.750% | XL  | 220,000          | 220,000  | 4.000% | 3.550% | Ambac |     | 1,033,079        | 1,033,079  | N/A    | 3.760% | FSA |     | 218,818          | 218,818   | 4.500% | 3.800% | FSA |     |     |
| 2016             |  |                  |        |        |     | 225,000          | 225,000  | 4.000% | 3.630% | Ambac |     |                  |  |        |        |     |     | 18,991           | 18,991  | 3.625% | 3.920% | FSA |     |     |
| 2017             |  |                  |        |        |     | 225,000          | 225,000  | 4.000% | 3.750% | Ambac |     |                  |  |        |        |     |     | 18,991           | 18,991  | 3.750% | 4.030% | FSA |     |     |
| 2018             |  |                  |        |        |     | 245,000          | 245,000  | 4.000% | 3.850% | Ambac |     |                  |  |        |        |     |     | 18,231           | 18,231  | 4.000% | 4.180% | FSA |     |     |
| 2019             |  |                  |        |        |     | 250,000          | 250,000  | 4.800% | 3.930% | Ambac |     |                  |  |        |        |     |     | 14,433           | 14,433  | 4.800% | 4.280% | FSA |     |     |
| 2020             |  |                  |        |        |     | 265,000          | 265,000  | 4.800% | 3.950% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2021             |  |                  |        |        |     | 275,000          | 275,000  | 4.800% | 4.000% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2022             |  |                  |        |        |     | 275,000          | 275,000  | 4.800% | 4.050% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2023             |  |                  |        |        |     | 300,000          | 300,000  | 4.000% | 4.100% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2024             |  |                  |        |        |     | 300,000          | 300,000  | 4.125% | 4.150% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2025             |  |                  |        |        |     | 325,000          | 325,000  | 4.125% | 4.200% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2026             |  |                  |        |        |     | 325,000          | 325,000  | 4.125% | 4.250% | Ambac |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2027             |  |                  |        |        |     |                  |  |        |        |       |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2028             |  |                  |        |        |     |                  |  |        |        |       |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2029             |  |                  |        |        |     |                  |  |        |        |       |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| 2030             |  |                  |        |        |     |                  |  |        |        |       |     |                  |  |        |        |     |     |                  |   |        |        |     |     |     |
| <b>Total:</b>    | <b>1,129,766</b>   | <b>1,129,766</b> |        |        |     | <b>4,495,000</b> | <b>4,495,000</b>   |        |        |       |     | <b>7,333,673</b> | <b>7,333,673</b>   |        |        |     |     | <b>1,340,345</b> | <b>1,340,345</b>  |        |        |     |     |     |
| Delivery Date:   | 10/21/2004   |                  |        |        |     |                  | 6/15/2005  |        |        |       |     |                  | 7/20/2005  |        |        |     |     |                  | 7/20/2005   |        |        |     |     |     |
| Use of Proceeds: | New Money  |                  |        |        |     |                  | New Money  |        |        |       |     |                  | Refunding of Series 1990B  |        |        |     |     |                  | Refunding of Series 1999A and 2000A   |        |        |     |     |     |
| Call Provisions: | Not subject to early redemption  |                  |        |        |     |                  | Not subject to early redemption  |        |        |       |     |                  | Not subject to early redemption  |        |        |     |     |                  | Not subject to early redemption   |        |        |     |     |     |



**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$11,160,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005C<br>I-ARG |                  |        |        |     |                  | \$7,661,532<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005C<br>I-NEW |        |        |      |     |                  | \$9,580,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2007A<br>I-Due |        |        |      |     |  |
|------------------|--|------------------|--------|--------|-----|------------------|---|--------|--------|------|-----|------------------|---|--------|--------|------|-----|--|
|                  | Series   |                  |        |        |     |                  | Series  |        |        |      |     |                  | Series  |        |        |      |     |  |
|                  | Issued   | Out              | Comp   | Y/Y    | Int |                  | Issued  | Out    | Comp   | Y/Y  | Int |                  | Issued  | Out    | Comp   | Y/Y  | Int |  |
| 2008             | 540,000  | 540,000          | 1.000% | 2.700% | FSA | 386,532          | 386,532   | 4.500% | 3.800% | NBIA |     | 250,000          | 250,000   | 4.000% | 3.560% | PGIC |     |  |
| 2009             | 540,000  | 540,000          | 3.000% | 2.470% | FSA | 400,000          | 400,000   | 4.500% | 3.150% | NBIA |     | 250,000          | 250,000   | 4.000% | 3.430% | PGIC |     |  |
| 2010             | 575,000  | 575,000          | 3.125% | 3.020% | FSA | 375,000          | 375,000   | 4.500% | 3.300% | NBIA |     | 275,000          | 275,000   | 4.000% | 3.670% | PGIC |     |  |
| 2011             | 590,000  | 590,000          | 3.250% | 3.170% | FSA | 350,000          | 350,000   | 4.500% | 3.400% | NBIA |     | 275,000          | 275,000   | 4.000% | 3.700% | PGIC |     |  |
| 2012             | 610,000  | 610,000          | N/A    | 3.320% | FSA | 325,000          | 325,000   | 5.000% | 3.600% | NBIA |     | 300,000          | 300,000   | 4.000% | 3.710% | PGIC |     |  |
| 2013             | 625,000  | 625,000          | N/A    | 3.470% | FSA | 300,000          | 300,000   | 5.000% | 3.700% | NBIA |     | 300,000          | 300,000   | 5.000% | 3.730% | PGIC |     |  |
| 2014             | 675,000  | 675,000          | 5.000% | 3.900% | FSA | 300,000          | 300,000   | 5.000% | 3.800% | NBIA |     | 325,000          | 325,000   | 5.000% | 3.780% | PGIC |     |  |
| 2015             | 700,000  | 700,000          | 5.000% | 3.660% | FSA | 300,000          | 300,000   | 5.000% | 3.800% | NBIA |     | 325,000          | 325,000   | 5.000% | 3.830% | PGIC |     |  |
| 2016             | 745,000  | 745,000          | N/A    | 3.940% | FSA | 325,000          | 325,000   | 5.000% | 4.000% | NBIA |     | 350,000          | 350,000   | 5.000% | 3.890% | PGIC |     |  |
| 2017             | 770,000  | 770,000          | 5.000% | 3.810% | FSA | 350,000          | 350,000   | 5.000% | 4.050% | NBIA |     | 375,000          | 375,000   | 5.000% | 3.930% | PGIC |     |  |
| 2018             | 820,000  | 820,000          | 5.000% | 3.880% | FSA | 350,000          | 350,000   | 4.800% | 4.050% | NBIA |     | 375,000          | 375,000   | 5.000% | 4.000% | PGIC |     |  |
| 2019             | 845,000  | 845,000          | 4.800% | 4.090% | FSA | 375,000          | 375,000   | 4.800% | 4.100% | NBIA |     | 400,000          | 400,000   | 4.800% | 4.090% | PGIC |     |  |
| 2020             | 880,000  | 880,000          | 4.800% | 4.160% | FSA | 375,000          | 375,000   | 4.125% | 4.150% | NBIA |     | 425,000          | 425,000   | 4.050% | 4.130% | PGIC |     |  |
| 2021             | 930,000  | 930,000          | N/A    | N/A    | FSA | 400,000          | 400,000   | 4.125% | 4.200% | NBIA |     | 425,000          | 425,000   | 4.100% | 4.170% | PGIC |     |  |
| 2022             |  |                  |        |        |     | 425,000          | 425,000   | 4.250% | 4.250% | NBIA |     | 450,000          | 450,000   | 4.125% | 4.200% | PGIC |     |  |
| 2023             |  |                  |        |        |     | 425,000          | 425,000   | 4.250% | 4.300% | NBIA |     | 475,000          | 475,000   | 4.150% | 4.240% | PGIC |     |  |
| 2024             |  |                  |        |        |     | 450,000          | 450,000   | 4.375% | 4.350% | NBIA |     | 500,000          | 500,000   | 4.200% | 4.260% | PGIC |     |  |
| 2025             |  |                  |        |        |     | 475,000          | 475,000   | 4.500% | 4.400% | NBIA |     | 525,000          | 525,000   | 4.300% | 4.280% | PGIC |     |  |
| 2026             |  |                  |        |        |     | 475,000          | 475,000   | 4.500% | 4.450% | NBIA |     | 525,000          | 525,000   | 4.250% | 4.300% | PGIC |     |  |
| 2027             |  |                  |        |        |     | 500,000          | 500,000   | 4.500% | 4.500% | NBIA |     | 550,000          | 550,000   | 4.250% | 4.310% | PGIC |     |  |
| 2028             |  |                  |        |        |     |                  |   |        |        |      |     | 575,000          | 575,000   | 4.250% | 4.330% | PGIC |     |  |
| 2029             |  |                  |        |        |     |                  |   |        |        |      |     | 600,000          | 600,000   | 4.250% | 4.340% | PGIC |     |  |
| 2030             |  |                  |        |        |     |                  |   |        |        |      |     | 650,000          | 650,000   | 4.250% | 4.350% | PGIC |     |  |
| <b>Total:</b>    | <b>9,985,000</b>   | <b>9,985,000</b> |        |        |     | <b>7,664,532</b> | <b>7,661,532</b>  |        |        |      |     | <b>9,580,000</b> | <b>9,580,000</b>  |        |        |      |     |  |
| Delivery Date:   | 7/21/2015  |                  |        |        |     |                  | 11/3/2015   |        |        |      |     |                  | 6/6/2017  |        |        |      |     |  |
| Use of Proceeds: | Refunding of Series 2005C  |                  |        |        |     |                  | New Money   |        |        |      |     |                  | Redeem Notes and New Money  |        |        |      |     |  |
| Call Provisions: | 8/1/2015 @ 100%  |                  |        |        |     |                  | 11/1/15 @ 100   |        |        |      |     |                  | 12/1/17 @ 100   |        |        |      |     |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Airport Debt Profile**  
*As of November 2007*

| Part:<br>Title:<br>Principal:<br>Fiscal<br>Year | \$1,882,882.38<br>City of Syracuse<br>Onondaga County, New York<br>Airport Improvement Bonds (Non-AMT) (CABs)<br>Series 1994A<br>1-Feb |                |      |        |       |                                 | \$8,678,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds (AMT)<br>Series 1998C<br>1-Oct |        |        |     |                 |                   | \$22,328,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds (AMT)<br>Series 2001C<br>1-Jan |        |        |                                 |     |                  | \$4,830,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003B<br>1-Feb |        |        |     |     |  |
|---|--|----------------|------|--------|-------|---------------------------------|---|--------|--------|-----|-----------------|-------------------|--|--------|--------|---------------------------------|-----|------------------|---|--------|--------|-----|-----|--|
|   | Serials  |                |      |        |       |                                 | Serials   |        |        |     |                 |                   | Serials  |        |        |                                 |     |                  | Serials   |        |        |     |     |  |
|   | Issued   | Out            | Comp | V/P    | Int   |                                 | Issued  | Out    | Comp   | V/P | Int             |                   | Issued   | Out    | Comp   | V/P                             | Int |                  | Issued  | Out    | Comp   | V/P | Int |  |
| 2008  | 339,440  | 339,440        |      | 5.850% | Ambac | 900,000                         | 900,000   | 5.000% | 4.850% | PSA |                 | 1,315,000         | 1,315,000  | 5.250% | 4.700% | FGIC                            |     | 55,000           | 55,000  | 3.800% | 2.750% | PSA |     |  |
| 2009  | 334,573  | 334,573        |      | 5.950% | Ambac | 945,000                         | 945,000   | 5.000% | 4.900% | PSA |                 | 1,385,000         | 1,385,000  | 5.500% | 4.850% | FGIC                            |     | 55,000           | 55,000  | 2.750% | 3.100% | PSA |     |  |
| 2010  |  |                |      |        |       | 1,000,000                       | 1,000,000   | 4.900% | 4.950% | PSA |                 | 1,440,000         | 1,440,000  | 5.500% | 4.750% | FGIC                            |     | 840,000          | 840,000   | 3.125% | 3.400% | PSA |     |  |
| 2011  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,535,000         | 1,535,000  | 5.000% | 5.050% | FGIC                            |     | 865,000          | 865,000   | 3.500% | 3.650% | PSA |     |  |
| 2012  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,605,000         | 1,605,000  | 5.000% | 5.150% | FGIC                            |     | 895,000          | 895,000   | 3.500% | 3.800% | PSA |     |  |
| 2013  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,685,000         | 1,685,000  | 5.000% | 5.250% | FGIC                            |     | 925,000          | 925,000   | 3.750% | 3.900% | PSA |     |  |
| 2014  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,770,000         | 1,770,000  | 5.000% | 5.290% | FGIC                            |     | 955,000          | 955,000   | 4.000% | 4.200% | PSA |     |  |
| 2015  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,855,000         | 1,855,000  | 5.000% | 5.340% | FGIC                            |     |                  |   |        |        |     |     |  |
| 2016  |  |                |      |        |       |                                 |   |        |        |     |                 | 1,945,000         | 1,945,000  | 5.000% | 5.400% | FGIC                            |     |                  |   |        |        |     |     |  |
| 2017  |  |                |      |        |       |                                 |   |        |        |     |                 | 2,000,000         | 2,000,000  | 5.000% | 5.430% | FGIC                            |     |                  |   |        |        |     |     |  |
| 2018  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2019  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2020  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2021  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2022  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2023  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2024  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2025  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2026  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2027  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2028  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2029  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| 2030  |  |                |      |        |       |                                 |   |        |        |     |                 |                   |  |        |        |                                 |     |                  |   |        |        |     |     |  |
| <b>Total:</b>                                   | <b>694,013</b>   | <b>694,013</b> |      |        |       | <b>2,845,000</b>                | <b>2,845,000</b>  |        |        |     |                 | <b>16,555,000</b> | <b>16,555,000</b>  |        |        |                                 |     | <b>4,390,000</b> | <b>4,390,000</b>  |        |        |     |     |  |
| <b>Delivery Date:</b>                           | 1/24/1994  |                |      |        |       | 9/21/1998                       |   |        |        |     | 1/1/2002        |                   |  |        |        | 4/1/2003                        |     |                  |   |        |        |     |     |  |
| <b>Use of Proceeds:</b>                         | New Money  |                |      |        |       | New Money                       |   |        |        |     | Defam COFs      |                   |  |        |        | Refunding of Series 1994A       |     |                  |   |        |        |     |     |  |
| <b>Call Provisions:</b>                         | Not subject to early redemption  |                |      |        |       | Not subject to early redemption |   |        |        |     | 1/1/2012 @ 100% |                   |  |        |        | Not subject to early redemption |     |                  |   |        |        |     |     |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Airport Debt Profile**  
*As of November 2007*

| Part:                   | \$935,000<br>City of Syracuse<br>Onondaga County, New York<br>Airport Improvement Bonds (AMT)<br>Series 2004B<br>15-Feb |                |        |        |     |                  | \$1,730,000<br>City of Syracuse<br>Onondaga County, New York<br>Airport Improvement Refunding Bonds<br>Series 2004A<br>1-Feb |        |        |     |                  |                  | \$1,430,000<br>City of Syracuse<br>Onondaga County, New York<br>Airport Improvement Bonds<br>Series 2004A<br>15-Feb |        |     |     |  |  |
|-------------------------|---|----------------|--------|--------|-----|------------------|--|--------|--------|-----|------------------|------------------|---|--------|-----|-----|--|--|
|                         | Serials   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
|                         | Year  | Issued         | Out    | Comp   | Y/P | Int              | Issued   | Out    | Comp   | Y/P | Int              | Issued           | Out   | Comp   | Y/P | Int |  |  |
| 2008                    | 83,000  | 85,000         | 5.125% | 3.750% | FSA | 350,000          | 350,000  | 3.000% | 3.350% | FSA | 135,000          | 135,000          | 4.500%  | 4.800% | FSA |     |  |  |
| 2009                    | 90,000  | 90,000         | 5.800% | 4.800% | FSA | 355,000          | 355,000  | 3.250% | 3.850% | FSA | 125,000          | 125,000          | 4.500%  | 4.100% | FSA |     |  |  |
| 2010                    | 95,000  | 95,000         | 2.000% | 4.200% | FSA | 370,000          | 370,000  | 3.500% | 4.050% | FSA | 150,000          | 150,000          | 4.500%  | 4.200% | FSA |     |  |  |
| 2011                    | 100,000   | 101,000        | 5.800% | 4.350% | FSA | 380,000          | 380,000  | 3.750% | 4.250% | FSA | 150,000          | 150,000          | 4.625%  | 4.250% | FSA |     |  |  |
| 2012                    | 100,000   | 100,000        | 5.800% | 4.500% | FSA | 395,000          | 395,000  | 4.800% | 4.400% | FSA | 150,000          | 150,000          | 4.750%  | 4.300% | FSA |     |  |  |
| 2013                    | 110,000   | 110,000        | 5.800% | 4.650% | FSA | 410,000          | 410,000  | 4.250% | 4.550% | FSA | 150,000          | 150,000          | 4.750%  | 4.300% | FSA |     |  |  |
| 2014                    | 115,000   | 115,000        | 5.800% | 4.800% | FSA | 425,000          | 425,000  | 4.500% | 4.700% | FSA | 150,000          | 150,000          | 4.750%  | 4.400% | FSA |     |  |  |
| 2015                    |   |                |        |        |     |                  |  |        |        |     | 150,000          | 150,000          | 4.750%  | 4.450% | FSA |     |  |  |
| 2016                    |   |                |        |        |     |                  |  |        |        |     | 125,000          | 125,000          | 4.750%  | 4.500% | FSA |     |  |  |
| 2017                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2018                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2019                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2020                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2021                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2022                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2023                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2024                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2025                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2026                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2027                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2028                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2029                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| 2030                    |   |                |        |        |     |                  |  |        |        |     |                  |                  |   |        |     |     |  |  |
| <b>Total</b>            | <b>695,000</b>  | <b>695,000</b> |        |        |     | <b>2,445,000</b> | <b>2,445,000</b>   |        |        |     | <b>1,245,000</b> | <b>1,245,000</b> |   |        |     |     |  |  |
| <b>Delivery Date:</b>   | 6/9/2004  |                |        |        |     |                  | 6/30/2004  |        |        |     |                  |                  | 4/15/2004   |        |     |     |  |  |
| <b>Use of Proceeds:</b> | Refund Notes  |                |        |        |     |                  | Refunding of Series 1994B  |        |        |     |                  |                  | Refund Notes and New Money  |        |     |     |  |  |
| <b>Call Provisions:</b> | Not subject to early redemption   |                |        |        |     |                  | Not subject to early redemption  |        |        |     |                  |                  | Not subject to early redemption   |        |     |     |  |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Parking Debt Profile**  
*As of November 2007*

| Par:<br>Title:<br>Principal:<br>Fiscal<br>Year | \$46,010,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 1993A<br>15-Feb |                  |        |        |     |                  | \$14,815,000<br>City of Syracuse<br>Onondaga County, New York<br>General Obligation Current Refunding Bonds<br>Series 1997A (Federally Taxable)<br>15-Oct |     |          |     |                  |                  | \$33,970,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998B<br>1-Oct |        |     |                |                |        | \$3,300,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998D (Federally Taxable)<br>15-Dec |       |     |  |  |  |
|--|---|------------------|--------|--------|-----|------------------|---|-----|----------|-----|------------------|------------------|--|--------|-----|----------------|----------------|--------|--|-------|-----|--|--|--|
|  | Series  |                  |        |        |     |                  | Term Bond   |     |          |     |                  |                  | Series   |        |     |                |                |        | Series   |       |     |  |  |  |
|  | Issued  | Out              | Coup   | Y/P    | Int |                  | Issued  | Out | Coup     | Y/P | Security         | Issued           | Out  | Coup   | Y/P | Int            | Issued         | Out    | Coup   | Y/P   | Int |  |  |  |
| 2008   | 1,241,260   | 1,241,260        | 3.100% | 3.150% |     | 800,000          | 800,000   | VAR | 100.000% | LOC | 331,482          | 331,482          | 3.250%   | 4.700% | FSA | 437,500        | 437,500        | 3.750% | 3.850%   | Ambuc |     |  |  |  |
| 2009   | 1,823,255   | 1,823,255        | 3.125% | 3.200% |     | 830,000          | 830,000   | VAR | 100.000% | LOC | 335,951          | 335,951          | 4.700%   | 4.700% | FSA | 471,454        | 471,454        | 3.750% | 3.600%   | Ambuc |     |  |  |  |
| 2010   | 1,813,021   | 1,813,021        | 3.125% | 3.250% |     | 865,000          | 865,000   | VAR | 100.000% | LOC | 311,481          | 311,481          | 4.800%   | 4.800% | FSA |                |                |        |  |       |     |  |  |  |
| 2011   | 1,012,578   | 1,012,578        | 3.125% | 3.200% |     | 900,000          | 900,000   | VAR | 100.000% | LOC | 331,482          | 331,482          | 4.900%   | 4.950% | FSA |                |                |        |  |       |     |  |  |  |
| 2012   |   |                  |        |        |     | 865,000          | 865,010   | VAR | 100.000% | LOC | 346,482          | 346,482          | 5.000%   | 5.050% | FSA |                |                |        |  |       |     |  |  |  |
| 2013   |   |                  |        |        |     | 880,000          | 880,000   | VAR | 100.000% | LOC |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2014   |   |                  |        |        |     | 900,000          | 900,000   | VAR | 100.000% | LOC |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2015   |   |                  |        |        |     | 915,000          | 915,000   | VAR | 100.000% | LOC |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2016   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2017   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2018   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2019   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2020   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2021   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2022   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2023   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2024   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2025   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2026   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2027   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2028   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2029   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| 2030   |   |                  |        |        |     |                  |   |     |          |     |                  |                  |  |        |     |                |                |        |  |       |     |  |  |  |
| <b>Total:</b>                                  | <b>4,090,714</b>  | <b>4,090,714</b> |        |        |     | <b>6,955,000</b> | <b>6,955,000</b>  |     |          |     | <b>1,696,878</b> | <b>1,696,878</b> |  |        |     | <b>906,954</b> | <b>906,954</b> |        |  |       |     |  |  |  |
| Bulldozing Date:                               | 7/29/1993   |                  |        |        |     |                  | 3/29/1997   |     |          |     |                  |                  | 9/21/1998  |        |     |                |                |        | 12/17/1998   |       |     |  |  |  |
| Use of Proceeds:                               | Refunding of Series 1988, 1990 and 1991   |                  |        |        |     |                  | Refunding of Series 1993C   |     |          |     |                  |                  | Refund Notes   |        |     |                |                |        | Refund Notes and New Money   |       |     |  |  |  |
| Call Provisions:                               | Not subject to early redemption   |                  |        |        |     |                  | Mandatory redemption defined above  |     |          |     |                  |                  | 10/1/09 and 4/1/09 @ 101%<br>10/1/09 and 4/1/10 @ 100.5%<br>10/1/10 @ 100%   |        |     |                |                |        | Not subject to early redemption  |       |     |  |  |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Parking Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$6,430,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003A<br>15-Oct |                  |        |        |     | \$8,535,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003C<br>15-Jun |                |        |        |     | \$16,400,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005A<br>1-Oct |                  |        |        |     | \$15,596,130<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2006A<br>15-Jun |                  |        |        |      |
|------------------|--|------------------|--------|--------|-----|--|----------------|--------|--------|-----|--|------------------|--------|--------|-----|---|------------------|--------|--------|------|
|                  | Series   |                  |        |        |     | Series   |                |        |        |     | Series   |                  |        |        |     | Series  |                  |        |        |      |
|                  | Issued   | Out              | Comp   | Y/P    | Ins | Issued   | Out            | Comp   | Y/P    | Ins | Issued   | Out              | Comp   | Y/P    | Ins | Issued  | Out              | Comp   | Y/P    | Ins  |
| 2000             | 505,000  | 505,000          | 2.125% | 2.330% | FSA | 26,633   | 26,633         | 2.500% | 2.750% | FSA | 599,279  | 599,279          | 3.000% | 2.800% | FSA | 50,073  | 50,073           | 6.000% | 3.450% | MBIA |
| 2009             | 520,000  | 520,000          | 2.500% | 2.750% | FSA | 27,322   | 27,322         | 3.000% | 3.100% | FSA | 619,296  | 619,296          | N/A    | 2.900% | FSA | 52,203  | 52,203           | 6.000% | 3.500% | MBIA |
| 2010             | 530,000  | 530,000          | 3.000% | 3.100% | FSA | 28,145   | 28,145         | 3.250% | 3.400% | FSA | 638,063  | 638,063          | N/A    | 3.150% | FSA | 55,273  | 55,273           | 6.000% | 3.550% | MBIA |
| 2011             | 535,000  | 535,000          | 3.125% | 3.600% | FSA | 29,107   | 29,107         | 3.500% | 3.650% | FSA | 659,312  | 659,312          | N/A    | 3.200% | FSA | 56,809  | 56,809           | 5.500% | 3.600% | MBIA |
| 2012             | 510,000  | 510,000          | 3.250% | 3.650% | FSA |  |                |        |        |     | 680,801  | 680,801          | N/A    | 3.450% | FSA | 59,880  | 59,880           | 5.250% | 3.650% | MBIA |
| 2013             | 510,000  | 510,000          | 3.500% | 3.800% | FSA |  |                |        |        |     | 705,623  | 705,623          | N/A    | 3.570% | FSA | 62,930  | 62,930           | 5.250% | 3.750% | MBIA |
| 2014             | 450,000  | 450,000          | 3.425% | 3.900% | FSA |  |                |        |        |     | 729,394  | 729,394          | N/A    | 3.670% | FSA | 64,486  | 64,486           | 5.000% | 3.850% | MBIA |
| 2015             | 450,000  | 450,000          | 3.750% | 4.600% | FSA |  |                |        |        |     | 758,628  | 758,628          | N/A    | 3.750% | FSA | 67,536  | 67,536           | 5.000% | 3.950% | MBIA |
| 2016             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 70,627  | 70,627           | 4.000% | 4.000% | MBIA |
| 2017             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 73,698  | 73,698           | 4.000% | 4.020% | MBIA |
| 2018             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 76,308  | 76,308           | 4.000% | 4.100% | MBIA |
| 2019             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 81,375  | 81,375           | 4.125% | 4.150% | MBIA |
| 2020             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 85,981  | 85,981           | 4.125% | 4.200% | MBIA |
| 2021             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 89,052  | 89,052           | 4.250% | 4.250% | MBIA |
| 2022             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 93,628  | 93,628           | 4.250% | 4.300% | MBIA |
| 2023             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 96,729  | 96,729           | 4.250% | 4.300% | MBIA |
| 2024             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 101,335   | 101,335          | 4.250% | 4.300% | MBIA |
| 2025             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 105,941   | 105,941          | 4.375% | 4.375% | MBIA |
| 2026             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 110,547   | 110,547          | 4.375% | 4.400% | MBIA |
| 2027             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     | 115,153   | 115,153          | 4.375% | 4.420% | MBIA |
| 2028             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     |   |                  |        |        |      |
| 2029             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     |   |                  |        |        |      |
| 2030             |  |                  |        |        |     |  |                |        |        |     |  |                  |        |        |     |   |                  |        |        |      |
| <b>Total:</b>    | <b>4,010,000</b>   | <b>4,010,000</b> |        |        |     | <b>111,209</b>   | <b>111,209</b> |        |        |     | <b>5,391,000</b>   | <b>5,391,000</b> |        |        |     | <b>1,571,630</b>  | <b>1,571,630</b> |        |        |      |
| Delivery Date:   | 4/6/2013   |                  |        |        |     | 4/6/2013   |                |        |        |     | 7/26/2015  |                  |        |        |     | 6/29/2006   |                  |        |        |      |
| Use of Proceeds: | Refunding of Series 1993C&D  |                  |        |        |     | Refunding of Series 1995A  |                |        |        |     | Refunding of Series 1998B  |                  |        |        |     | New Money   |                  |        |        |      |
| Call Provisions: | Not subject to early redemption  |                  |        |        |     | Not subject to early redemption  |                |        |        |     | Not subject to early redemption  |                  |        |        |     | 6/15/16 @ 100%  |                  |        |        |      |

**City of Syracuse**  
**Onondaga County, New York**  
**Water Debt Profile**  
*As of November 2007*

| Fiscal Year             | \$16,426,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 1998A<br>1-Dec |                |        |        |     | \$16,816,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998E<br>25-Dec |                |        |        |       | \$94,875,000<br>New York State Environmental Facilities Corporation<br>Safe Clean Water and Drinking Water<br>Revolving Funds Revenue Bonds<br>Series 1999B<br>15-Oct |                  |        |        |     | \$14,837,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2002B<br>15-Apr |                  |        |        |      |
|-------------------------|--|----------------|--------|--------|-----|---|----------------|--------|--------|-------|---|------------------|--------|--------|-----|---|------------------|--------|--------|------|
|                         | Series   |                |        |        |     | Series  |                |        |        |       | Series  |                  |        |        |     | Series  |                  |        |        |      |
|                         | Issued   | Out            | Comp   | Y/P    | Int | Issued  | Out            | Comp   | Y/P    | Int   | Issued  | Out              | Comp   | Y/P    | Int | Issued  | Out              | Comp   | Y/P    | Int  |
| 2008                    | 86,793   | 86,793         | 5.250% | 4.600% | FSA | 58,185  | 58,185         | 4.800% | 4.050% | Ambac | 245,000   | 245,000          | 4.625% | 4.750% |     | 122,883   | 122,883          | 4.250% | 3.680% | PGIC |
| 2009                    | 29,049   | 29,049         | 5.250% | 4.680% | FSA | 51,461  | 51,461         | 4.800% | 4.100% | Ambac | 250,000   | 250,000          | 4.750% | 4.820% |     | 125,675   | 125,675          | 4.250% | 3.860% | PGIC |
| 2010                    | 33,519   | 33,519         | 5.250% | 4.730% | FSA | 53,137  | 53,137         | 4.135% | 4.700% | Ambac | 260,000   | 260,000          | 5.800% | 4.910% |     | 132,855   | 132,855          | 4.750% | 4.020% | PGIC |
| 2011                    | 33,517   | 33,517         | 5.250% | 4.830% | FSA | 54,089  | 54,089         | 4.250% | 4.300% | Ambac | 260,000   | 260,000          | 5.800% | 5.800% |     | 140,037   | 140,037          | 4.250% | 4.120% | PGIC |
| 2012                    | 33,518   | 33,518         | 4.800% | 4.880% | FSA | 59,041  | 59,041         | 4.375% | 4.400% | Ambac | 265,000   | 265,000          | 5.900% | 5.100% |     | 147,218   | 147,218          | 4.250% | 4.220% | PGIC |
| 2013                    |  |                |        |        |     | 61,993  | 61,993         | 4.500% | 4.500% | Ambac | 270,000   | 270,000          | 5.500% | 5.160% |     | 150,808   | 150,808          | 4.380% | 4.380% | PGIC |
| 2014                    |  |                |        |        |     |   |                |        |        |       | 275,000   | 275,000          | 5.500% | 5.250% |     | 161,580   | 161,580          | 4.680% | 4.470% | PGIC |
| 2015                    |  |                |        |        |     |   |                |        |        |       | 280,000   | 280,000          | 5.500% | 5.360% |     | 168,763   | 168,763          | 4.500% | 4.580% | PGIC |
| 2016                    |  |                |        |        |     |   |                |        |        |       | 285,000   | 285,000          | N/A    | 5.310% |     | 175,943   | 175,943          | 4.625% | 4.710% | PGIC |
| 2017                    |  |                |        |        |     |   |                |        |        |       | 290,000   | 290,000          | 5.500% | 5.340% |     | 183,125   | 183,125          | 4.780% | 4.790% | PGIC |
| 2018                    |  |                |        |        |     |   |                |        |        |       | 295,000   | 295,000          | 5.250% | 5.380% |     | 193,898   | 193,898          | 4.800% | 4.860% | PGIC |
| 2019                    |  |                |        |        |     |   |                |        |        |       | 300,000   | 300,000          | 5.250% | 5.390% |     |   |                  |        |        |      |
| 2020                    |  |                |        |        |     |   |                |        |        |       | 305,000   | 305,000          | 5.250% | 5.400% |     |   |                  |        |        |      |
| 2021                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2022                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2023                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2024                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2025                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2026                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2027                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2028                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2029                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| 2030                    |  |                |        |        |     |   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
| <b>Total:</b>           | <b>216,398</b>   | <b>216,398</b> |        |        |     | <b>372,186</b>  | <b>372,186</b> |        |        |       | <b>3,540,000</b>  | <b>3,540,000</b> |        |        |     | <b>1,701,983</b>  | <b>1,701,983</b> |        |        |      |
| <b>Delivery Date:</b>   | 8/15/1998  |                |        |        |     | 12/15/1998  |                |        |        |       | 7/29/1999   |                  |        |        |     | 5/9/2002  |                  |        |        |      |
| <b>Use of Proceeds:</b> | Refunding of Series 1991, 1992, 1992A, 1994C and 1994D   |                |        |        |     | New Money   |                |        |        |       | New Money   |                  |        |        |     | New Money   |                  |        |        |      |
| <b>Call Provision:</b>  | Not subject to early redemption  |                |        |        |     | 12/15/06 and 6/15/07 @ 101%   |                |        |        |       | 10/15/09 @ 100%   |                  |        |        |     | 4/15/12 @ 100%  |                  |        |        |      |
|                         |  |                |        |        |     | 12/15/07 and 6/15/08 @ 100.5%   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |
|                         |  |                |        |        |     | 12/15/06 @ 100%   |                |        |        |       |   |                  |        |        |     |   |                  |        |        |      |

**City of Syracuse**  
**Onondaga County, New York**  
**Water Debt Profile**  
*As of November 2007*

| Fiscal Year             | \$17,667,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003B<br>1-Nov |                |        |        |      |                | \$6,535,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003C<br>15-Jun |     |      |     |      |                  | \$12,862,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003E<br>15-Apr |     |      |     |      |  |
|-------------------------|--|----------------|--------|--------|------|----------------|--|-----|------|-----|------|------------------|---|-----|------|-----|------|--|
|                         | Series   |                |        |        |      |                | Series   |     |      |     |      |                  | Series  |     |      |     |      |  |
|                         | Issued   | Out            | Comp   | YFP    | Rate |                | Issued   | Out | Comp | YFP | Rate |                  | Issued  | Out | Comp | YFP | Rate |  |
| 2008                    | 39,823   | 39,823         | 4.800% | 2.050% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2009                    | 41,764   | 41,764         | 3.800% | 2.400% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2010                    | 42,736   | 42,736         | 3.000% | 2.700% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2011                    | 44,679   | 44,679         | 3.000% | 3.000% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2012                    | 46,622   | 46,622         | 3.250% | 3.300% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2013                    | 48,564   | 48,564         | 3.375% | 3.450% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2014                    | 50,507   | 50,507         | 3.500% | 3.570% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2015                    | 52,449   | 52,449         | 3.625% | 3.730% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2016                    | 54,391   | 54,391         | 3.750% | 3.830% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2017                    | 57,111   | 57,111         | 3.750% | 3.950% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2018                    | 59,248   | 59,248         | 4.000% | 4.000% | PSA  |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2019                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2020                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2021                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2022                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2023                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2024                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2025                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2026                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2027                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2028                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2029                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| 2030                    |  |                |        |        |      |                |  |     |      |     |      |                  |   |     |      |     |      |  |
| <b>Total:</b>           | <b>537,896</b>   | <b>537,896</b> |        |        |      | <b>394,552</b> | <b>394,552</b>   |     |      |     |      | <b>1,174,475</b> | <b>1,174,475</b>  |     |      |     |      |  |
| <b>Delivery Water:</b>  | 5/6/2003   |                |        |        |      |                | 4/6/2003   |     |      |     |      |                  | 5/22/2004   |     |      |     |      |  |
| <b>Use of Proceeds:</b> | New Money  |                |        |        |      |                | Refunding of Series 1995A  |     |      |     |      |                  | New Money   |     |      |     |      |  |
| <b>Call Provisions:</b> | 11/1/13 @ 100%   |                |        |        |      |                | Not subject to early redemption  |     |      |     |      |                  | 4/15/14 @ 100%  |     |      |     |      |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Water Debt Profile**  
**As of November 2007**

| Fisc<br>Year     | \$9,264,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004F<br>1-4-Mar |                |        |        |    | \$17,930,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005B<br>1-Mar |                  |        |        |      | \$36,408,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005A<br>1-Oct |                |        |        |     |
|------------------|---|----------------|--------|--------|----|--|------------------|--------|--------|------|--|----------------|--------|--------|-----|
|                  | Series  |                |        |        |    | Series   |                  |        |        |      | Series   |                |        |        |     |
|                  | Issued  | Out            | Comp   | Y/P    | In | Issued   | Out              | Comp   | Y/P    | In   | Issued   | Out            | Comp   | Y/P    | In  |
| 2008             | 23,599  | 23,599         | 3.000% | 2.000% | NL | 214,210  | 214,210          | 4.000% | 2.000% | MBIA | 110,690  | 110,690        | 3.000% | 2.000% | PSA |
| 2009             | 24,333  | 24,333         | 3.000% | 2.000% | NL | 221,597  | 221,597          | 4.000% | 2.000% | MBIA | 114,308  | 114,308        | N/A    | 2.500% | PSA |
| 2010             | 23,076  | 23,076         | 3.200% | 2.000% | NL | 229,883  | 229,883          | 4.000% | 3.000% | MBIA | 117,854  | 117,854        | N/A    | 3.100% | PSA |
| 2011             | 26,933  | 26,933         | 3.250% | 2.500% | NL | 236,370  | 236,370          | 4.000% | 3.100% | MBIA | 121,702  | 121,702        | N/A    | 3.200% | PSA |
| 2012             | 27,062  | 27,062         | 3.250% | 3.000% | NL | 251,143  | 251,143          | 4.000% | 3.200% | MBIA | 125,711  | 125,711        | N/A    | 3.400% | PSA |
| 2013             | 28,791  | 28,791         | 3.500% | 3.000% | NL | 258,529  | 258,529          | 4.000% | 3.300% | MBIA | 130,333  | 130,333        | N/A    | 3.500% | PSA |
| 2014             | 30,277  | 30,277         | 3.500% | 3.300% | NL | 273,302  | 273,302          | 4.000% | 3.400% | MBIA | 134,723  | 134,723        | N/A    | 3.600% | PSA |
| 2015             | 31,391  | 31,391         | 3.700% | 3.300% | NL | 280,689  | 280,689          | 4.000% | 3.500% | MBIA | 140,269  | 140,269        | N/A    | 3.700% | PSA |
| 2016             | 32,545  | 32,545         | 3.700% | 3.500% | NL | 295,062  | 295,062          | 4.000% | 3.600% | MBIA |  |                |        |        |     |
| 2017             | 33,434  | 33,434         | 3.700% | 3.700% | NL | 302,649  | 302,649          | 4.000% | 3.700% | MBIA |  |                |        |        |     |
| 2018             |   |                |        |        |    | 317,622  | 317,622          | 4.000% | 3.800% | MBIA |  |                |        |        |     |
| 2019             |   |                |        |        |    | 332,395  | 332,395          | 4.000% | 3.900% | MBIA |  |                |        |        |     |
| 2020             |   |                |        |        |    | 347,168  | 347,168          | 4.000% | 3.950% | MBIA |  |                |        |        |     |
| 2021             |   |                |        |        |    | 361,941  | 361,941          | 4.000% | 4.000% | MBIA |  |                |        |        |     |
| 2022             |   |                |        |        |    | 376,714  | 376,714          | 4.000% | 4.000% | MBIA |  |                |        |        |     |
| 2023             |   |                |        |        |    | 391,487  | 391,487          | 4.000% | 4.000% | MBIA |  |                |        |        |     |
| 2024             |   |                |        |        |    | 406,260  | 406,260          | 4.125% | 4.150% | MBIA |  |                |        |        |     |
| 2025             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| 2026             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| 2027             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| 2028             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| 2029             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| 2030             |   |                |        |        |    |  |                  |        |        |      |  |                |        |        |     |
| <b>Totals</b>    | <b>204,192</b>  | <b>204,192</b> |        |        |    | <b>3,096,721</b>   | <b>3,096,721</b> |        |        |      | <b>995,730</b>   | <b>995,730</b> |        |        |     |
| Delivery Date:   | 10/31/2004  |                |        |        |    | 6/23/2005  |                  |        |        |      | 7/25/2005  |                |        |        |     |
| Use of Proceeds: | New Money   |                |        |        |    | New Money  |                  |        |        |      | Refunding of Series 1998B  |                |        |        |     |
| Call Provisions: | Not subject to early redemption   |                |        |        |    | 3/1/2015 @ 100%  |                  |        |        |      | Not subject to early redemption  |                |        |        |     |



**City of Syracuse  
Onondaga County, New York  
Water Debt Profile  
As of November 2007**

| Fiscal Year      | \$14,275,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005B<br>15-Apr |                  |        |        |     |                  | \$25,096,500<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2006A<br>15-Jun |        |        |       |     |                | \$9,813,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2007B<br>1-Dec |        |        |        |      |  |
|------------------|---|------------------|--------|--------|-----|------------------|---|--------|--------|-------|-----|----------------|---|--------|--------|--------|------|--|
|                  | Series  |                  |        |        |     |                  | Series  |        |        |       |     |                | Series  |        |        |        |      |  |
|                  | Issued  | Out              | Cmpg   | YFP    | Ins |                  | Issued  | Out    | Cmpg   | YFP   | Ins |                | Issued  | Out    | Cmpg   | YFP    | Ins  |  |
| 2008             | 262,146   | 262,146          | N/A    | 2.930% | PSA | 216,309          | 216,309   | 4.000% | 3.430% | MIRIA |     |                |   |        |        |        |      |  |
| 2009             | 206,493   | 206,493          | N/A    | 3.870% | PSA | 225,991          | 225,991   | 4.000% | 3.560% | MIRIA |     |                | 15,690  | 15,690 | 4.000% | 3.500% | CIPG |  |
| 2010             | 185,481   | 185,481          | 3.173% | 3.730% | PSA | 236,861          | 236,861   | 4.000% | 3.530% | MIRIA |     |                | 16,594  | 16,594 | 4.000% | 3.530% | CIPG |  |
| 2011             | 189,629   | 189,629          | N/A    | 3.300% | PSA | 245,696          | 245,696   | 5.300% | 3.600% | MIRIA |     |                | 17,423  | 17,423 | 4.000% | 3.600% | CIPG |  |
| 2012             | 195,625   | 195,625          | N/A    | 3.520% | PSA | 254,766          | 254,766   | 5.250% | 3.650% | MIRIA |     |                | 18,253  | 18,253 | 4.000% | 3.640% | CIPG |  |
| 2013             | 199,246   | 199,246          | N/A    | 3.640% | PSA | 272,036          | 272,036   | 5.250% | 3.750% | MIRIA |     |                | 18,253  | 18,253 | 4.000% | 3.670% | CIPG |  |
| 2014             | 205,766   | 205,766          | 3.500% | 3.720% | PSA | 276,671          | 276,671   | 5.000% | 3.630% | MIRIA |     |                | 19,912  | 19,912 | 4.000% | 3.700% | CIPG |  |
| 2015             | 207,962   | 207,962          | 4.500% | 3.800% | PSA | 291,941          | 291,941   | 5.000% | 3.920% | MIRIA |     |                | 20,743  | 20,743 | 4.000% | 3.790% | CIPG |  |
| 2016             | 18,113  | 18,113           | 3.623% | 3.920% | PSA | 303,211          | 303,211   | 4.000% | 4.000% | MIRIA |     |                | 21,572  | 21,572 | 4.000% | 3.880% | CIPG |  |
| 2017             | 18,113  | 18,113           | 3.750% | 4.030% | PSA | 314,481          | 314,481   | 4.000% | 4.020% | MIRIA |     |                | 22,402  | 22,402 | 4.000% | 3.950% | CIFG |  |
| 2018             | 17,389  | 17,389           | 4.000% | 4.130% | PSA | 334,366          | 334,366   | 4.000% | 4.100% | MIRIA |     |                | 23,231  | 23,231 | 5.000% | 4.000% | CIFG |  |
| 2019             | 13,766  | 13,766           | 4.000% | 4.300% | PSA | 351,666          | 351,666   | 4.123% | 4.150% | MIRIA |     |                | 24,061  | 24,061 | 5.000% | 4.050% | CIFG |  |
| 2020             |   |                  |        |        |     | 371,561          | 371,561   | 4.123% | 4.200% | MIRIA |     |                | 25,730  | 25,730 | 4.000% | 4.000% | CIFG |  |
| 2021             |   |                  |        |        |     | 384,831          | 384,831   | 4.250% | 4.250% | MIRIA |     |                | 26,530  | 26,530 | 4.000% | 4.050% | CIFG |  |
| 2022             |   |                  |        |        |     | 404,737          | 404,737   | 4.250% | 4.300% | MIRIA |     |                | 27,380  | 27,380 | 4.000% | 4.100% | CIFG |  |
| 2023             |   |                  |        |        |     | 418,007          | 418,007   | 4.250% | 4.350% | MIRIA |     |                | 28,209  | 28,209 | 4.000% | 4.150% | CIFG |  |
| 2024             |   |                  |        |        |     | 437,912          | 437,912   | 4.250% | 4.350% | MIRIA |     |                |   |        |        |        |      |  |
| 2025             |   |                  |        |        |     | 457,817          | 457,817   | 4.373% | 4.373% | MIRIA |     |                |   |        |        |        |      |  |
| 2026             |   |                  |        |        |     | 477,722          | 477,722   | 4.373% | 4.400% | MIRIA |     |                |   |        |        |        |      |  |
| 2027             |   |                  |        |        |     | 497,627          | 497,627   | 4.373% | 4.420% | MIRIA |     |                |   |        |        |        |      |  |
| 2028             |   |                  |        |        |     |                  |   |        |        |       |     |                |   |        |        |        |      |  |
| 2029             |   |                  |        |        |     |                  |   |        |        |       |     |                |   |        |        |        |      |  |
| 2030             |   |                  |        |        |     |                  |   |        |        |       |     |                |   |        |        |        |      |  |
| <b>Total:</b>    | <b>1,659,913</b>  | <b>1,659,913</b> |        |        |     | <b>6,791,699</b> | <b>6,791,699</b>  |        |        |       |     | <b>326,680</b> | <b>326,680</b>  |        |        |        |      |  |
| Delivery Dates:  | 7/20/2005   |                  |        |        |     |                  | 6/20/2006   |        |        |       |     |                | 6/1/2007  |        |        |        |      |  |
| Use of Proceeds: | Refunding of Series 1999A and 2000A   |                  |        |        |     |                  | New Money   |        |        |       |     |                | New Money   |        |        |        |      |  |
| Call Provisions: | Not subject to early redemption   |                  |        |        |     |                  | 6/15/16 @ 8.00%   |        |        |       |     |                | 12/1/17 @ 10.0%   |        |        |        |      |  |

**City of Syracuse**  
**Onondaga County, New York**  
**Sewer Debt Profile**  
*As of November 2007*

| Fiscal Year      | \$31,970,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 1998B<br>1-Oct |                |        |        |     | \$17,657,800<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003B<br>1-Nov |                |        |        |     | \$17,938,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005B<br>1-Mar |                  |        |        |      |
|------------------|--|----------------|--------|--------|-----|--|----------------|--------|--------|-----|--|------------------|--------|--------|------|
|                  | Serials  |                |        |        |     | Serials  |                |        |        |     | Serials  |                  |        |        |      |
|                  | Issued   | Out            | Coup   | Y/P    | Ins | Issued   | Out            | Coup   | Y/P    | Ins | Issued   | Out              | Coup   | Y/P    | Ins  |
| 2008             | 134,482  | 134,482        | 3.250% | 4.700% | FSA | 58,051   | 58,051         | 4.000% | 2.050% | FSA | 145,663  | 145,663          | 6.000% | 2.800% | MBIA |
| 2009             | 65,000   | 65,000         | 4.700% | 4.780% | FSA | 60,883   | 60,883         | 3.000% | 2.400% | FSA | 150,686  | 150,686          | 4.800% | 2.850% | MBIA |
| 2010             | 65,000   | 65,000         | 4.800% | 4.880% | FSA | 62,298   | 62,298         | 3.000% | 2.700% | FSA | 155,709  | 155,709          | 4.000% | 3.000% | MBIA |
| 2011             | 65,000   | 65,000         | 4.800% | 4.950% | FSA | 65,130   | 65,130         | 3.800% | 3.000% | FSA | 160,731  | 160,731          | 4.000% | 3.100% | MBIA |
| 2012             | 65,000   | 65,000         | 3.000% | 5.000% | FSA | 67,962   | 67,962         | 3.250% | 3.380% | FSA | 170,777  | 170,777          | 4.000% | 3.250% | MBIA |
| 2013             |  |                |        |        |     | 70,793   | 70,793         | 3.375% | 3.450% | FSA | 175,800  | 175,800          | 4.000% | 3.500% | MBIA |
| 2014             |  |                |        |        |     | 73,625   | 73,625         | 3.500% | 3.570% | FSA | 185,846  | 185,846          | 4.000% | 3.450% | MBIA |
| 2015             |  |                |        |        |     | 76,457   | 76,457         | 3.625% | 3.730% | FSA | 190,869  | 190,869          | 4.000% | 3.500% | MBIA |
| 2016             |  |                |        |        |     | 79,289   | 79,289         | 3.750% | 3.830% | FSA | 200,914  | 200,914          | 4.000% | 3.650% | MBIA |
| 2017             |  |                |        |        |     | 83,253   | 83,253         | 3.750% | 3.950% | FSA | 205,937  | 205,937          | 4.000% | 3.750% | MBIA |
| 2018             |  |                |        |        |     | 86,367   | 86,367         | 4.000% | 4.050% | FSA | 215,983  | 215,983          | 4.000% | 3.850% | MBIA |
| 2019             |  |                |        |        |     |  |                |        |        |     | 226,029  | 226,029          | 4.000% | 3.900% | MBIA |
| 2020             |  |                |        |        |     |  |                |        |        |     | 236,074  | 236,074          | 4.000% | 3.850% | MBIA |
| 2021             |  |                |        |        |     |  |                |        |        |     | 246,120  | 246,120          | 4.000% | 4.000% | MBIA |
| 2022             |  |                |        |        |     |  |                |        |        |     | 256,166  | 256,166          | 4.000% | 4.050% | MBIA |
| 2023             |  |                |        |        |     |  |                |        |        |     | 266,211  | 266,211          | 4.000% | 4.100% | MBIA |
| 2024             |  |                |        |        |     |  |                |        |        |     | 276,257  | 276,257          | 4.125% | 4.150% | MBIA |
| 2025             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| 2026             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| 2027             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| 2028             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| 2029             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| 2030             |  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
| <b>Total:</b>    | <b>398,482</b>   | <b>398,482</b> |        |        |     | <b>784,109</b>   | <b>784,109</b> |        |        |     | <b>3,465,772</b>   | <b>3,465,772</b> |        |        |      |
| Delivery Date:   | 5/21/1998  |                |        |        |     | 5/8/2003   |                |        |        |     | 6/22/2005  |                  |        |        |      |
| Use of Proceeds: | Redeem Notes   |                |        |        |     | New Money  |                |        |        |     | New Money  |                  |        |        |      |
| Call Provisions: | 11/1/09 and 4/1/09 @ 101%  |                |        |        |     | 11/1/13 @ 100%   |                |        |        |     | 3/1/2015 @ 100%  |                  |        |        |      |
|                  | 10/1/09 and 4/1/10 @ 100.5%  |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |
|                  | 10/1/10 @ 100%   |                |        |        |     |  |                |        |        |     |  |                  |        |        |      |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Part:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | \$8,638,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Ref Bonds<br>Series 2003A<br>15-Oct |               |                |                |                      |
|---|--|---------------|----------------|----------------|----------------------|
|   | Principal  | Interest      | Total D/S      | State Aid*     | Est. Net Local Share |
|   |  |               |                | 11/22/1993     |                      |
| 2008  | 280,000  | 20,263        | 300,263        | 61,209         | 239,054              |
| 2009  | 280,000  | 13,788        | 293,788        | 61,209         | 232,579              |
| 2010  | 270,000  | 6,238         | 276,238        | 61,209         | 215,029              |
| 2011  | 70,000   | 1,092         | 71,092         | 30,605         | 40,487               |
| 2012  |  |               |                |                |                      |
| 2013  |  |               |                |                |                      |
| 2014  |  |               |                |                |                      |
| 2015  |  |               |                |                |                      |
| 2016  |  |               |                |                |                      |
| 2017  |  |               |                |                |                      |
| 2018  |  |               |                |                |                      |
| 2019  |  |               |                |                |                      |
| 2020  |  |               |                |                |                      |
| 2021  |  |               |                |                |                      |
| 2022  |  |               |                |                |                      |
| 2023  |  |               |                |                |                      |
| 2024  |  |               |                |                |                      |
| 2025  |  |               |                |                |                      |
| 2026  |  |               |                |                |                      |
| 2027  |  |               |                |                |                      |
| 2028  |  |               |                |                |                      |
| 2029  |  |               |                |                |                      |
| 2030  |  |               |                |                |                      |
| <b>Total:</b>   | <b>900,000</b>   | <b>41,381</b> | <b>941,381</b> | <b>214,232</b> | <b>727,150</b>       |
| Selected Max Useful Life  |  |               |                | 16.5           |                      |
| Period Prior to 1 July 2002   |  |               |                | 8.0            |                      |
| Set Remaining Term for Amort  |  |               |                | 8.5            |                      |
| Print Out as of July 2002   |  |               |                | 620,000        |                      |
| Assumed Interest Rate   |  |               |                | 5.375%         |                      |
| 2002-03 Debt Service  |  |               |                | 91.828         |                      |
| Bond Percent  |  |               |                | 85.786%        |                      |
| Assumed Aidable Debt Service  |  |               |                | 78.776         |                      |
| Applicable Aid Ratio  |  |               |                | 77.7%          |                      |
| Est 2002-03 State Aid   |  |               |                | 61,209         |                      |

\* Source: SED Website. Aid by Date of Original Issuance

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Part:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | \$2,535,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2003C<br>15-Jun |          |           |                          |                      |
|---|--|----------|-----------|--------------------------|----------------------|
|   | Principal  | Interest | Total D/S | State Aid                | Est. Net Local Share |
| 2008  | 7,959  | 1,022    | 8,981     |                          | 8,981                |
| 2009  | 8,164  | 823      | 8,987     |                          | 8,987                |
| 2010  | 8,410  | 578      | 8,988     |                          | 8,988                |
| 2011  | 8,697  | 303      | 9,000     |                          | 9,000                |
| 2012  |  |          |           |                          |                      |
| 2013  |  |          |           |                          |                      |
| 2014  |  |          |           |                          |                      |
| 2015  |  |          |           |                          |                      |
| 2016  |  |          |           |                          |                      |
| 2017  |  |          |           |                          |                      |
| 2018  |  |          |           |                          |                      |
| 2019  |  |          |           |                          |                      |
| 2020  |  |          |           |                          |                      |
| 2021  |  |          |           |                          |                      |
| 2022  |  |          |           |                          |                      |
| 2023  |  |          |           |                          |                      |
| 2024  |  |          |           |                          |                      |
| 2025  |  |          |           |                          |                      |
| 2026  |  |          |           |                          |                      |
| 2027  |  |          |           |                          |                      |
| 2028  |  |          |           |                          |                      |
| 2029  |  |          |           |                          |                      |
| 2030  |  |          |           |                          |                      |
| <b>Total:</b>   | 33,230   | 2,726    | 35,956    | Non-Audible<br>Tax Cert. | 35,956               |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Part:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | \$7,298,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003A<br>I-Nov |           |   |                              |                                 |                           |                         |                             |
|---|---|-----------|---|------------------------------|---------------------------------|---------------------------|-------------------------|-----------------------------|
|   |   |           |   | State Aid                    |                                 |                           |                         |                             |
|   | Principal   | Interest  | Total D/S                               | Corcoran Athletic<br>Fields* | Clary Athletic<br>Fields/ Caf.* | Corcoran Science<br>Labs* | Fowler Science<br>Labs* | Nottingham<br>Science Labs* |
|   |   |           | 0128-011                                | 0102-009                     | 0120-015                        | 0122-016                  | 0123-023                |                             |
| 2006  | 390,000   | 202,638   | 592,638                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2009  | 405,000   | 189,700   | 594,700                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2010  | 425,000   | 176,238   | 601,238                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2011  | 450,000   | 163,113   | 613,113                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2012  | 450,000   | 149,050   | 599,050                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2013  | 475,000   | 133,425   | 608,425                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2014  | 500,000   | 114,363   | 616,363                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2015  | 520,000   | 98,188    | 618,188                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2016  | 535,000   | 78,731    | 613,731                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2017  | 560,000   | 57,850    | 617,850                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2018  | 575,000   | 35,500    | 610,500                                 | 329,652                      | 16,896                          | 35,151                    | 33,764                  | 33,764                      |
| 2019  | 600,000   | 11,998    | 611,998                                 | 164,826                      | 16,896                          |                           |                         |                             |
| 2020  |   |           |   |                              | 16,896                          |                           |                         |                             |
| 2021  |   |           |   |                              |                                 |                           |                         |                             |
| 2022  |   |           |   |                              |                                 |                           |                         |                             |
| 2023  |   |           |   |                              |                                 |                           |                         |                             |
| 2024  |   |           |   |                              |                                 |                           |                         |                             |
| 2025  |   |           |   |                              |                                 |                           |                         |                             |
| 2026  |   |           |   |                              |                                 |                           |                         |                             |
| 2027  |   |           |   |                              |                                 |                           |                         |                             |
| 2028  |   |           |   |                              |                                 |                           |                         |                             |
| 2029  |   |           |   |                              |                                 |                           |                         |                             |
| 2030  |   |           |   |                              |                                 |                           |                         |                             |
| <b>Total:</b>   | 5,885,000   | 1,412,794 | 7,297,794                               | 3,790,997                    | 236,539                         | 386,656                   | 371,408                 | 371,408                     |
| <b>Annual Aid:<br/>Bond Issues in which<br/>Projects are Included:</b>      |   |           | 431,184                                 | 92,926                       | 42,350                          | 40,680                    | 40,680                  | 40,680                      |
|   |   |           | 2002A (24%)                             | 2003A (18%)                  | 2002A (17%)                     | 2002A (17%)               | 2002A (17%)             | 2002A (17%)                 |
|   |   |           | 2003A (76%)                             | 2004E (82%)                  | 2003A (83%)                     | 2003A (83%)               | 2003A (83%)             | 2003A (83%)                 |
|   |   |           | Percentage not provided by the District |                              |                                 |                           |                         |                             |

\* Source: SED Website: State Aid Building - Prospective Project Amortization Report

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:                   | \$7,798,600<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2003A<br>1-Nov |                                      |                                    |  |                           |   |                             |                      |                     |
|--|---|--------------------------------------|------------------------------------|--|---------------------------|---|-----------------------------|----------------------|---------------------|
|  | State Aid   |                                      |                                    |  |                           |   |                             |                      |                     |
|  | Amount Outstanding:<br>Fiscal Year  | Heminger State Lighting*<br>0121-015 | Fowler Stage Lighting*<br>0122-019 | Nottingham Stage Lighting*<br>0123-025 | Webster HVAC*<br>0027-004 | Heminger Fields/Cafeteria*<br>0121-013  | Hastington Roof<br>0017-012 | SED Building Surveys | Est Net Local Share |
|  |   |                                      |                                    |  |                           |   | Total                       |                      |                     |
| 2006   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 57,699               |                     |
| 2007   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 59,750               |                     |
| 2010   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 66,296               |                     |
| 2011   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 78,171               |                     |
| 2012   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 64,108               |                     |
| 2013   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 73,403               |                     |
| 2014   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 81,421               |                     |
| 2015   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 83,246               |                     |
| 2016   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 78,789               |                     |
| 2017   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 82,908               |                     |
| 2018   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 534,942                     | 75,558               |                     |
| 2019   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 267,436                     | 344,562              |                     |
| 2020   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 102,610                     | (102,610)            |                     |
| 2021   | 3,109   | 1,839                                | 4,343                              | 24,344                                 | 52,000                    |   | 102,610                     | (102,610)            |                     |
| 2022   | 1,554   | 919                                  | 2,172                              | 12,172                                 |                           |   | 16,817                      | (16,817)             |                     |
| 2023   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2024   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2025   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2026   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2027   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2028   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2029   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| 2030   |   |                                      |                                    |  |                           |   |                             |                      |                     |
| <b>Total:</b>                                      | 45,076  | 26,661                               | 62,978                             | 352,989                                | 729,120                   | SA-139 Not Received                     | Aid Paid in Full            | 6,373,832            | 923,962             |
| <b>Annual AM:</b>                                  | 18,652  | 11,032                               | 26,060                             | 57,962                                 | 52,000                    |   |                             |                      |                     |
| <b>Bond Issues in which Projects are Included:</b> | 2003A (17%)<br>2004E (83%)  | 2003A (17%)<br>2004E (83%)           | 2003A (17%)<br>2004E (83%)         | 2003A(42%)<br>2007A(58%)               | 2003A (100%)              | 2003A (7%)<br>2005C (9%)<br>2007A (94%) |                             |                      |                     |

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**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:                              | \$7,000,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004A<br>15-May |                |                  |   |                      |
|---|--|----------------|------------------|---|----------------------|
|   | Principal  | Interest       | Total D/S        | State Aid*<br>District-Wide<br>Tech.    | Est. Net Local Share |
| Amount Outstanding:<br>Fiscal Year                            |  |                |                  | 7999-804                                |                      |
| 2008  | 725,000  | 221,094        | 946,094          | 644.03%                                 | 302,056              |
| 2009  | 750,000  | 197,531        | 947,531          | 644.03%                                 | 303,493              |
| 2010  | 775,000  | 169,406        | 944,406          | 644.03%                                 | 300,368              |
| 2011  | 800,000  | 140,344        | 940,344          | 644.03%                                 | 296,306              |
| 2012  | 850,000  | 108,344        | 958,344          | 644.03%                                 | 314,306              |
| 2013  | 875,000  | 74,344         | 949,344          | 644.03%                                 | 305,306              |
| 2014  | 900,000  | 38,250         | 938,250          | 644.03%                                 | 284,212              |
| 2015  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2016  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2017  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2018  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2019  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2020  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2021  |  |                |                  | 644.03%                                 | (644.03%)            |
| 2022  |  |                |                  |   |                      |
| 2023  |  |                |                  |   |                      |
| 2024  |  |                |                  |   |                      |
| 2025  |  |                |                  |   |                      |
| 2026  |  |                |                  |   |                      |
| 2027  |  |                |                  |   |                      |
| 2028  |  |                |                  |   |                      |
| 2029  |  |                |                  |   |                      |
| 2030  |  |                |                  |   |                      |
| <b>Total:</b>   | <b>5,675,000</b>   | <b>949,313</b> | <b>6,624,313</b> | <b>9,016,532</b>                        | <b>(2,392,219)</b>   |
| Annual Aid:<br>Bond Issues in which<br>Projects are Included: |  |                |                  | 1,288,076<br>2004A (50%)<br>2004E (50%) |                      |

\* Source: SLD Website State Aid Building - Prospective Project Amortization Report

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Fiscal Year   | \$2,839,391<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2004C<br>15-May |          |           |                        | Est. Net<br>Local Share |
|---------------|--|----------|-----------|------------------------|-------------------------|
|               | Principal  | Interest | Total D/S | State Aid              |                         |
| 2008          | 134,522  | 11,182   | 145,704   |                        | 145,704                 |
| 2009          | 140,637  | 5,801    | 146,438   |                        | 146,438                 |
| 2010          |  |          |           |                        |                         |
| 2011          |  |          |           |                        |                         |
| 2012          |  |          |           |                        |                         |
| 2013          |  |          |           |                        |                         |
| 2014          |  |          |           |                        |                         |
| 2015          |  |          |           |                        |                         |
| 2016          |  |          |           |                        |                         |
| 2017          |  |          |           |                        |                         |
| 2018          |  |          |           |                        |                         |
| 2019          |  |          |           |                        |                         |
| 2020          |  |          |           |                        |                         |
| 2021          |  |          |           |                        |                         |
| 2022          |  |          |           |                        |                         |
| 2023          |  |          |           |                        |                         |
| 2024          |  |          |           |                        |                         |
| 2025          |  |          |           |                        |                         |
| 2026          |  |          |           |                        |                         |
| 2027          |  |          |           |                        |                         |
| 2028          |  |          |           |                        |                         |
| 2029          |  |          |           |                        |                         |
| 2030          |  |          |           |                        |                         |
| <b>Total:</b> | 275,159  | 16,983   | 292,142   | Non-Audible<br>Pension | 292,142                 |



**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Part<br><br>Title:<br>Principal:                              | \$12,374,500<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004E<br>IS-Oer |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
|---|---|------------------|-------------------|---|--|---|---|---|---|--|---------------------------------------|----------|-------------------------------|-----------------------------|
|   | State Aid   |                  |                   |   |  |   |   |   |   |  |                                       |          | School Serv.<br>Center Boiler | School District<br>Vehicles |
|   | Principal   | Interest         | Total D/S         | Clary Athletic<br>Fields/ Caf. <sup>1</sup><br>0102-009 | Henninger State<br>Lighting <sup>1</sup><br>0121-015 | Fowler Stage<br>Lighting <sup>1</sup><br>0122-019 | Nottingham Stage<br>Lighting <sup>1</sup><br>0123-025 | Huntington<br>Boiler <sup>1</sup><br>0017-011 | Webster Boiler <sup>1</sup><br>0027-006 | Ed Smith Boiler <sup>1</sup><br>0022-013 | Beard Boiler <sup>1</sup><br>0005-007 |          |                               |                             |
| Amount Outstanding:<br>Fiscal Year                            |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2008  | 450,000   | 466,000          | 916,000           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2009  | 475,000   | 448,656          | 923,656           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2010  | 500,000   | 430,375          | 930,375           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2011  | 500,000   | 411,625          | 911,625           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2012  | 550,000   | 391,938          | 941,938           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2013  | 575,000   | 370,844          | 945,844           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2014  | 600,000   | 348,813          | 948,813           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2015  | 600,000   | 325,563          | 925,563           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2016  | 625,000   | 301,063          | 926,063           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2017  | 675,000   | 275,863          | 950,863           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2018  | 700,000   | 247,563          | 947,563           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2019  | 725,000   | 219,061          | 944,061           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2020  | 750,000   | 189,563          | 939,563           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2021  | 775,000   | 159,063          | 934,063           | 76,030  | 15,543   | 9,193   | 21,717  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
| 2022  | 800,000   | 127,563          | 927,563           |   | 7,772  | 4,597   | 10,858  | 28,160  | 25,504                                  | 24,538                                   | 12,269                                | 14,008   |                               |                             |
| 2023  | 850,000   | 94,031           | 944,031           |   |  |   |   | 28,160  | 25,504                                  |  |                                       |          |                               |                             |
| 2024  | 875,000   | 57,906           | 932,906           |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2025  | 925,000   | 19,652           | 944,652           |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2026  |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2027  |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2028  |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2029  |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| 2030  |   |                  |                   |   |  |   |   |   |   |  |                                       |          |                               |                             |
| <b>Total:</b>   | <b>11,950,000</b>   | <b>4,884,344</b> | <b>16,834,344</b> | <b>1,064,425</b>  | <b>225,378</b>                                       | <b>133,303</b>                                    | <b>314,892</b>  | <b>422,400</b>                                | <b>382,560</b>                          | <b>355,801</b>                           | <b>406,232</b>                        | <b>-</b> | <b>-</b>                      |                             |
| Annual Aid:<br>Bond Issues in which<br>Projects are Included: |   |                  |                   | 92,926  | 18,652   | 11,032  | 26,080  | 28,160  | 25,504                                  | 24,538                                   | 28,016                                |          |                               |                             |
|   |   |                  |                   | 2003A (18%)   | 2003A (17%)  | 2003A (17%)                                       | 2003A (17%)   | 2004E (100%)                                  | 2004E (100%)                            | 2004E (100%)                             | 2004E (100%)                          |          |                               |                             |
|   |   |                  |                   | 2004E (82%)   | 2004E (83%)  | 2004E (83%)                                       | 2004E (83%)   |   |   |  |                                       |          |                               |                             |

<sup>1</sup> Source: SCD Website: State Aid Building - Prospective Project Amortization Report

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:                          |  | \$12,374,500<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2004E<br>15-Oct |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
|-------------------------------|--|---|-------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|--------------------------------|--------------------|------------------|---------------------|---------------|-----------------|------------|----------------------|
| Title:                        |  | State Aid*  |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| Principal:                    |  | State Aid*  |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| Amount Outstanding:           |  | Lighting Panels<br>(Lincoln)  | Fowler Stage<br>Rigging | Nottingham Stage<br>Rigging | Carcara Stage<br>Rigging | Henninger Stage<br>Rigging | Fowler Gym<br>Partitions | Clary Athletic<br>Fields/ Caf. | DW Tech Phase<br>I | Huntington Field | Salem Hyde<br>Field | Meachem Field | Henninger Field | Total      | Est. Net Local Share |
| Fiscal Year                   |  | 0105-008  | 0122-020                | 0123-026                    | 0120-016                 | 0121-016                   | 0122-021                 | 0102-009                       | 7999-004           | 0017-009         | 0010-005            | 0016-006      | 0121-014        |            |                      |
| 2008                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (110,166)            |
| 2009                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (102,510)            |
| 2010                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (93,791)             |
| 2011                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (114,541)            |
| 2012                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (84,228)             |
| 2013                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (80,322)             |
| 2014                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (77,353)             |
| 2015                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (100,603)            |
| 2016                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (100,103)            |
| 2017                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (76,103)             |
| 2018                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (78,603)             |
| 2019                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (82,103)             |
| 2020                          |  |   |                         |                             |                          |                            | 14,308                   | 76,030                         | 644,038            | 6,487            | 1,756               | 1,620         | 53,225          | 1,026,166  | (86,603)             |
| 2021                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2022                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2023                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2024                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2025                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2026                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2027                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2028                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2029                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| 2030                          |  |   |                         |                             |                          |                            |                          |                                |                    |                  |                     |               |                 |            |                      |
| <b>Total:</b>                 |  |   |                         |                             |                          |                            | 200,312                  | 1,064,425                      | 9,016,532          | 94,066           | 25,462              | 23,480        | 771,761         | 14,501,033 | 2,333,311            |
| <b>Annual Aid:</b>            |  |   |                         |                             |                          |                            | 14,308                   | 92,926                         | 1,288,076          | 30,892           | 8,362               | 7,712         | 253,452         |            |                      |
| <b>Bond Issues in which</b>   |  |   |                         |                             |                          |                            | 2004E (100%)             | 2003A (18%)                    | 2004A (50%)        | 2004E (21%)      | 2004E (21%)         | 2004E (21%)   | 2004C (21%)     |            |                      |
| <b>Projects are Included:</b> |  |   |                         |                             |                          |                            | 2004E (82%)              | 2004E (25%)                    | 2004E (50%)        | 2005A (79%)      | 2005A (79%)         | 2005A (79%)   | 2005A (79%)     |            |                      |

Percentage estimates provided by the District

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | 58472J44<br>City of Syracuse<br>Onondaga County, New York<br>Pension Obligation Bonds<br>Series 2004G<br>15-Oct |          |           |                       |                      |
|--|---|----------|-----------|-----------------------|----------------------|
|  | Principal   | Interest | Total D/S | State Aid             | Est. Net Local Share |
| 2008   | 121,440   | 47,170   | 168,610   |                       | 168,610              |
| 2009   | 125,358   | 42,234   | 167,592   |                       | 167,592              |
| 2010   | 130,842   | 37,110   | 167,952   |                       | 167,952              |
| 2011   | 137,110   | 31,379   | 168,489   |                       | 168,489              |
| 2012   | 144,945   | 25,405   | 170,350   |                       | 170,350              |
| 2013   | 148,862   | 18,701   | 167,563   |                       | 167,563              |
| 2014   | 156,697   | 11,537   | 168,234   |                       | 168,234              |
| 2015   | 164,532   | 3,907    | 168,439   |                       | 168,439              |
| 2016   |   |          |           |                       |                      |
| 2017   |   |          |           |                       |                      |
| 2018   |   |          |           |                       |                      |
| 2019   |   |          |           |                       |                      |
| 2020   |   |          |           |                       |                      |
| 2021   |   |          |           |                       |                      |
| 2022   |   |          |           |                       |                      |
| 2023   |   |          |           |                       |                      |
| 2024   |   |          |           |                       |                      |
| 2025   |   |          |           |                       |                      |
| 2026   |   |          |           |                       |                      |
| 2027   |   |          |           |                       |                      |
| 2028   |   |          |           |                       |                      |
| 2029   |   |          |           |                       |                      |
| 2030   |   |          |           |                       |                      |
| <b>Total:</b>  | 1,129,786   | 217,663  | 1,347,429 | Non-Allowable<br>Fees | 1,347,429            |

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:                                       | \$4,650,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005A<br>15-Jun |                  |                  |                                      |   |  |  |  |   |                  |                      |
|--|--|------------------|------------------|--------------------------------------|---|--|--|--|---|------------------|----------------------|
|  | State Aid  |                  |                  |                                      |   |  |  |  |   |                  |                      |
|  | Principal  | Interest         | Total D/S        | Greystone Arch. Services<br>0125-007 | Huntington Field <sup>1</sup><br>0017-009 | Salem Hyde<br>Field <sup>1</sup><br>0010-005 | Meschem Field <sup>1</sup><br>0014-008 | Henninger Field <sup>1</sup><br>0121-014 | DW Tech Phase<br>I <sup>1</sup><br>7999-005 | Total            | Est. Net Local Share |
| Amount Outstanding:  |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| Fiscal Year  |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| 2008   | 155,000  | 189,663          | 344,663          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (29,672)             |
| 2009   | 160,000  | 181,913          | 341,913          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (32,422)             |
| 2010   | 175,000  | 173,913          | 348,913          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (25,422)             |
| 2011   | 180,000  | 165,163          | 345,163          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (29,172)             |
| 2012   | 195,000  | 156,163          | 351,163          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (23,172)             |
| 2013   | 200,000  | 147,388          | 347,388          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (26,947)             |
| 2014   | 200,000  | 138,388          | 338,388          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (35,947)             |
| 2015   | 220,000  | 130,388          | 350,388          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (23,947)             |
| 2016   | 225,000  | 121,588          | 346,588          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (27,747)             |
| 2017   | 225,000  | 112,588          | 337,588          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (36,747)             |
| 2018   | 245,000  | 103,588          | 348,588          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (25,747)             |
| 2019   | 250,000  | 93,788           | 343,788          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (30,547)             |
| 2020   | 265,000  | 83,788           | 348,788          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (25,547)             |
| 2021   | 275,000  | 73,188           | 348,188          |                                      | 24,405                                    | 6,606  | 6,092                                  | 200,227                                  | 137,005                                     | 374,335          | (26,147)             |
| 2022   | 275,000  | 62,188           | 337,188          |                                      | 12,202                                    | 3,303  | 3,046                                  | 190,114                                  |   | 337,188          | 337,188              |
| 2023   | 300,000  | 51,188           | 351,188          |                                      |   |  |  |  |   | 351,188          | 351,188              |
| 2024   | 300,000  | 39,188           | 339,188          |                                      |   |  |  |  |   | 339,188          | 339,188              |
| 2025   | 325,000  | 26,813           | 351,813          |                                      |   |  |  |  |   | 351,813          | 351,813              |
| 2026   | 325,000  | 13,397           | 338,397          |                                      |   |  |  |  |   | 338,397          | 338,397              |
| 2027   |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| 2028   |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| 2029   |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| 2030   |  |                  |                  |                                      |   |  |  |  |   |                  |                      |
| <b>Total:</b>  | <b>4,495,000</b>   | <b>2,064,281</b> | <b>6,559,281</b> | <b>SA-139 Not Received</b>           | <b>353,868</b>                            | <b>95,787</b>                                | <b>88,341</b>                          | <b>2,903,293</b>                         | <b>1,918,065</b>                            | <b>5,240,688</b> | <b>1,318,593</b>     |
| <b>Annual Aid:<br/>Bond Issues in which<br/>Projects are Included:</b> |  |                  |                  |                                      | 30,392<br>2004E (21%)<br>2005A (79%)      | 8,362<br>2004E (21%)<br>2005A (79%)          | 7,712<br>2004E (21%)<br>2005A (79%)    | 253,452<br>2004E (21%)<br>2005A (79%)    | 772,846<br>2005A (18%)<br>2005C (82%)       |                  |                      |
| Percentage estimates provided by the District                          |  |                  |                  |                                      |   |  |  |  |   |                  |                      |

<sup>1</sup> Source: SED Website - State Aid Building - Prospective Project Amortization Report

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal: | \$26,408,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005A<br>1-Oct |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
|----------------------------------|--|------------------|------------------|----------------|---------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------------|
|                                  | Amount Outstanding<br>Fiscal Year  | Principal        | Interest         | Total DIS      | State Aid*    |                |                  |                |                  |                  | Total            | Est. Net Local Share |
|                                  |  |                  |                  |                | 9/21/1998     | 9/22/1998      | 9/23/1998        | 9/24/1998      | 9/25/1998        | 9/27/1998        |                  |                      |
| 2006                             | 815,231  | 239,249          | 1,054,480        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 511,733          |                      |
| 2009                             | 842,462  | 213,745          | 1,056,207        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 513,460          |                      |
| 2010                             | 867,991  | 187,237          | 1,055,228        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 512,481          |                      |
| 2011                             | 896,924  | 158,766          | 1,055,690        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 512,943          |                      |
| 2012                             | 925,857  | 128,269          | 1,054,126        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 511,379          |                      |
| 2013                             | 959,896  | 96,212           | 1,056,108        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 513,361          |                      |
| 2014                             | 992,233  | 61,836           | 1,054,069        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 511,322          |                      |
| 2015                             | 1,033,078  | 22,129           | 1,055,207        | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          | 542,747          | 512,460          |                      |
| 2016                             |  |                  |                  | 51,238         | 2,562         | 21,156         | 135,043          | 70,098         | 156,277          | 376,373          | (376,373)        |                      |
| 2017                             |  |                  |                  | 51,238         | 2,562         |                |                  |                |                  | 53,800           | (53,800)         |                      |
| 2018                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2019                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2020                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2021                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2022                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2023                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2024                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2025                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2026                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2027                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2028                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2029                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| 2030                             |  |                  |                  |                |               |                |                  |                |                  |                  |                  |                      |
| <b>Total</b>                     | <b>7,333,672</b>   | <b>1,107,443</b> | <b>8,441,115</b> | <b>512,380</b> | <b>25,620</b> | <b>190,404</b> | <b>1,215,387</b> | <b>171,658</b> | <b>2,656,701</b> | <b>4,772,149</b> | <b>3,668,966</b> |                      |
| Selected Max Useful Life         |  |                  |                  | 18.0           | 18.0          | 17.0           | 17.0             | 16.5           | 16.5             |                  |                  |                      |
| Period Prior to 1 July 2002      |  |                  |                  | 3.0            | 3.0           | 3.0            | 3.0              | 3.0            | 3.0              |                  |                  |                      |
| Set Remaining Term for Amort     |  |                  |                  | 15.0           | 15.0          | 14.0           | 14.0             | 13.5           | 13.5             |                  |                  |                      |
| Prior Oct as of July 2002        |  |                  |                  | 1,773,624      | 88,681        | 266,044        | 1,698,237        | 288,213        | 4,460,664        |                  |                  |                      |
| Assumed Interest Rate            |  |                  |                  | 5.375%         | 5.375%        | 5.375%         | 5.375%           | 5.375%         | 5.375%           |                  |                  |                      |
| 2002-03 Debt Service             |  |                  |                  | 173,744        | 8,688         | 27,284         | 174,162          | 10,298         | 468,906          |                  |                  |                      |
| Bond Percent                     |  |                  |                  | 37.954%        | 37.954%       | 99.793%        | 99.793%          | 85.786%        | 85.786%          |                  |                  |                      |
| Assumed Available Debt Service   |  |                  |                  | 65,943         | 3,297         | 173,801        | 173,801          | 25,991         | 402,256          |                  |                  |                      |
| Applicable Aid Ratio             |  |                  |                  | 77.7%          | 77.7%         | 77.7%          | 77.7%            | 77.7%          | 77.7%            |                  |                  |                      |
| Est 2002-03 State Aid            |  |                  |                  | 51,238         | 2,562         | 21,156         | 135,043          | 20,195         | 312,553          |                  |                  |                      |

\* Source: SED Website: Aid by Date of Original Issuance

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | \$14,275,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Ref Bonds<br>Series 2002B<br>15-Apr |                |                  |                  |                      |
|--|---|----------------|------------------|------------------|----------------------|
|  | Principal   | Interest       | Total D/S        | State Aid*       | Est. Net Local Share |
|  |   |                |                  | 6/2/1999         |                      |
| 2008   | 211,941   | 60,732         | 272,673          | 112,409          | 160,264              |
| 2009   | 216,499   | 54,429         | 270,928          | 112,409          | 158,519              |
| 2010   | 194,469   | 46,414         | 240,883          | 112,409          | 128,474              |
| 2011   | 199,027   | 40,337         | 239,364          | 112,409          | 126,955              |
| 2012   | 205,104   | 33,975         | 239,079          | 112,409          | 126,670              |
| 2013   | 208,902   | 27,167         | 236,069          | 112,409          | 123,660              |
| 2014   | 215,739   | 20,069         | 235,808          | 112,409          | 123,399              |
| 2015   | 218,018   | 12,518         | 230,536          | 112,409          | 118,127              |
| 2016   | 18,991  | 2,707          | 21,698           | 112,409          | (90,711)             |
| 2017   | 18,991  | 2,019          | 21,010           | 112,409          | (91,399)             |
| 2018   | 18,231  | 1,307          | 19,538           | 112,409          | (92,871)             |
| 2019   | 14,434  | 577            | 15,011           | 112,409          | (97,398)             |
| 2020   |   |                |                  |                  |                      |
| 2021   |   |                |                  |                  |                      |
| 2022   |   |                |                  |                  |                      |
| 2023   |   |                |                  |                  |                      |
| 2024   |   |                |                  |                  |                      |
| 2025   |   |                |                  |                  |                      |
| 2026   |   |                |                  |                  |                      |
| 2027   |   |                |                  |                  |                      |
| 2028   |   |                |                  |                  |                      |
| 2029   |   |                |                  |                  |                      |
| 2030   |   |                |                  |                  |                      |
| <b>Total:</b>  | <b>1,740,346</b>  | <b>302,251</b> | <b>2,042,597</b> | <b>1,348,908</b> | <b>693,689</b>       |
| Selected Max Useful Life Period Prior to 1 July 2002                       |   |                |                  | 30.0             |                      |
| % Remaining Term for Amort Prior to 1 July 2002                            |   |                |                  | 3.8              |                      |
| Assumed Interest Rate  |   |                |                  | 17.0             |                      |
| 2002-03 Debt Service Bond Percent  |   |                |                  | 1,840,000        |                      |
| Assumed Aidable Debt Service   |   |                |                  | 5.375%           |                      |
| Applicable Aid Ratio Est 2002-03 State Aid                                 |   |                |                  | 166,466          |                      |
|  |   |                |                  | 76.999%          |                      |
|  |   |                |                  | 128,175          |                      |
|  |   |                |                  | 87.7%            |                      |
|  |   |                |                  | 112,409          |                      |

\* Source: SLD Website, Aid by Date of Original Issuance

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:<br><br>Amount Outstanding:<br>Fiscal Year | \$11,168,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Refunding Bonds<br>Series 2005C<br>1-Aug |                  |                   |                  |                  |                |                   |                      |
|--|--|------------------|-------------------|------------------|------------------|----------------|-------------------|----------------------|
|  | Principal  | Interest         | Total D/S         | State Aid*       |                  |                | Total             | Est. Net Local Share |
|  |  |                  |                   | 7/25/2000        | 7/26/2000        | 7/27/2000      |                   |                      |
| 2008   | 540,000  | 408,288          | 948,288           | 283,345          | 283,346          | 24,748         | 591,439           | 356,849              |
| 2009   | 560,000  | 391,788          | 951,788           | 283,345          | 283,346          | 24,748         | 591,439           | 360,349              |
| 2010   | 575,000  | 374,403          | 949,403           | 283,345          | 283,346          | 24,748         | 591,439           | 357,864              |
| 2011   | 590,000  | 355,831          | 945,831           | 283,345          | 283,346          | 24,748         | 591,439           | 354,392              |
| 2012   | 610,000  | 333,647          | 943,647           | 283,345          | 283,346          | 24,748         | 591,439           | 352,208              |
| 2013   | 625,000  | 307,613          | 932,613           | 283,345          | 283,346          | 24,748         | 591,439           | 341,174              |
| 2014   | 675,000  | 277,300          | 952,300           | 283,345          | 283,346          | 24,748         | 591,439           | 360,861              |
| 2015   | 700,000  | 242,925          | 942,925           | 283,345          | 283,346          | 24,748         | 591,439           | 351,486              |
| 2016   | 745,000  | 207,113          | 952,113           | 283,345          | 283,346          | 24,748         | 591,439           | 360,674              |
| 2017   | 770,000  | 169,550          | 939,550           | 283,345          | 283,346          | 24,748         | 591,439           | 348,111              |
| 2018   | 820,000  | 129,800          | 949,800           | 283,345          | 283,346          | 24,748         | 591,439           | 358,361              |
| 2019   | 865,000  | 92,000           | 957,000           | 283,345          | 283,346          | 24,748         | 591,439           | 365,561              |
| 2020   | 900,000  | 56,700           | 956,700           | 283,345          | 283,346          | 24,748         | 591,439           | 365,261              |
| 2021   | 930,000  | 19,348           | 949,348           | 283,345          | 283,346          | 24,748         | 591,439           | 357,909              |
| 2022   |  |                  |                   |                  |                  |                |                   |                      |
| 2023   |  |                  |                   |                  |                  |                |                   |                      |
| 2024   |  |                  |                   |                  |                  |                |                   |                      |
| 2025   |  |                  |                   |                  |                  |                |                   |                      |
| 2026   |  |                  |                   |                  |                  |                |                   |                      |
| 2027   |  |                  |                   |                  |                  |                |                   |                      |
| 2028   |  |                  |                   |                  |                  |                |                   |                      |
| 2029   |  |                  |                   |                  |                  |                |                   |                      |
| 2030   |  |                  |                   |                  |                  |                |                   |                      |
| <b>Totals:</b>   | <b>9,905,000</b>   | <b>3,366,306</b> | <b>13,271,306</b> | <b>3,966,830</b> | <b>3,966,844</b> | <b>346,472</b> | <b>12,280,146</b> | <b>4,991,160</b>     |
| Selected Max Useful Life   |  |                  |                   | 20.0             | 20.0             | 20.0           |                   |                      |
| Period Prior to 1 July 2002  |  |                  |                   | 1.0              | 1.0              | 1.0            |                   |                      |
| Set Remaining Term for Amort   |  |                  |                   | 19.0             | 19.0             | 19.0           |                   |                      |
| Print Out as of July 2002  |  |                  |                   | 4,956,887        | 4,956,897        | 991,369        |                   |                      |
| Assumed Interest Rate  |  |                  |                   | 5.375%           | 5.375%           | 5.375%         |                   |                      |
| 2002-03 Debt Service   |  |                  |                   | 419,600          | 419,602          | 83,920         |                   |                      |
| Bond Percent   |  |                  |                   | 76.998%          | 76.998%          | 37.954%        |                   |                      |
| Assumed Aidable Debt Service   |  |                  |                   | 323,065          | 323,065          | 31,851         |                   |                      |
| Applicable Aid Ratio   |  |                  |                   | 87.7%            | 87.7%            | 77.7%          |                   |                      |
| Est 2002-03 State Aid  |  |                  |                   | 283,345          | 283,346          | 24,748         |                   |                      |

\* Source: SED Website: Aid by Date of Original Issuance

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Part:<br><br>Title:<br>Principal:                                      | \$7,661,532<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2005C<br>1-Nov                   |                  |                   |                  |                              |                 |                            |                       |                      |
|--|---|------------------|-------------------|------------------|------------------------------|-----------------|----------------------------|-----------------------|----------------------|
|  | Amount Outstanding:<br>Fiscal Year  | Principal        | Interest          | Total D/S        | State Aid                    |                 |                            |                       | Ext. Net Local Share |
|  |   |                  |                   |                  | DW Tech Phase 1 <sup>1</sup> | Huntington Roof | Nottingham Athletic Fields | School Vehicles 05-06 |                      |
|  |   |                  |                   |                  | 7999-005                     | 8017-012        | 0123-027                   |                       |                      |
| 2008   | 386,532   | 336,353          | 722,885           | 635,841          |                              |                 |                            | 635,841               | 87,044               |
| 2009   | 400,000   | 318,656          | 718,656           | 635,841          |                              |                 |                            | 635,841               | 82,815               |
| 2010   | 375,000   | 301,219          | 676,219           | 635,841          |                              |                 |                            | 635,841               | 80,378               |
| 2011   | 350,000   | 284,906          | 634,906           | 635,841          |                              |                 |                            | 635,841               | (935)                |
| 2012   | 325,000   | 268,906          | 593,906           | 635,841          |                              |                 |                            | 635,841               | (41,935)             |
| 2013   | 300,000   | 253,281          | 553,281           | 635,841          |                              |                 |                            | 635,841               | (82,560)             |
| 2014   | 300,000   | 238,281          | 538,281           | 635,841          |                              |                 |                            | 635,841               | (97,560)             |
| 2015   | 380,000   | 223,281          | 523,281           | 635,841          |                              |                 |                            | 635,841               | (112,560)            |
| 2016   | 325,000   | 207,656          | 532,656           | 635,841          |                              |                 |                            | 635,841               | (103,185)            |
| 2017   | 350,000   | 190,781          | 540,781           | 635,841          |                              |                 |                            | 635,841               | (95,060)             |
| 2018   | 350,000   | 175,031          | 525,031           | 635,841          |                              |                 |                            | 635,841               | (110,810)            |
| 2019   | 375,000   | 160,531          | 535,531           | 635,841          |                              |                 |                            | 635,841               | (100,310)            |
| 2020   | 375,000   | 145,297          | 520,297           | 635,841          |                              |                 |                            | 635,841               | (115,544)            |
| 2021   | 400,000   | 129,313          | 529,313           | 635,841          |                              |                 |                            | 635,841               | (106,526)            |
| 2022   | 425,000   | 112,031          | 537,031           |                  |                              |                 |                            |                       | 537,031              |
| 2023   | 425,000   | 93,969           | 518,969           |                  |                              |                 |                            |                       | 518,969              |
| 2024   | 450,000   | 75,094           | 525,094           |                  |                              |                 |                            |                       | 525,094              |
| 2025   | 475,000   | 54,563           | 529,563           |                  |                              |                 |                            |                       | 529,563              |
| 2026   | 475,000   | 33,188           | 508,188           |                  |                              |                 |                            |                       | 508,188              |
| 2027   | 500,000   | 11,251           | 511,251           |                  |                              |                 |                            |                       | 511,251              |
| 2028   |   |                  |                   |                  |                              |                 |                            |                       |                      |
| 2029   |   |                  |                   |                  |                              |                 |                            |                       |                      |
| 2030   |   |                  |                   |                  |                              |                 |                            |                       |                      |
| <b>Total:</b>  | <b>7,661,532</b>  | <b>3,613,588</b> | <b>11,275,120</b> | <b>8,901,779</b> |                              |                 |                            | <b>8,901,779</b>      | <b>3,373,341</b>     |
| <b>Annual Aid:<br/>Bond Issues in which<br/>Projects are Included:</b> | 772,846<br>2005A (18%)    2003A (7%)    2005C (96.7%)<br>2805C (82%)    2005C (9%)    2007A (1.7%)<br>2007A (84%)    1.6% Unaudited |                  |                   |                  |                              |                 |                            |                       |                      |

<sup>1</sup> Source: SCD Website - State Aid Building - Prospective Project Amortization Report



**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par<br><br>Title:<br>Principal:  | \$9,500,000<br>City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Series 2007A<br>1-Dec |                  |                   |                 |                            |                        |   |                            |                           |                             |                   |
|--|---|------------------|-------------------|-----------------|----------------------------|------------------------|---|----------------------------|---------------------------|-----------------------------|-------------------|
|  | State Aid   |                  |                   |                 |                            |                        |   |                            |                           |                             |                   |
|  | Principal   | Interest         | Total D/S         | Huntington Roof | Nottingham Athletic Fields | School Building Survey | Fewer Sewer/<br>Caf. Project <sup>1</sup> | Nottingham Athletic Fields | Webster HVAC <sup>1</sup> | School District<br>Vehicles |                   |
| Amount Outstanding:<br>Fiscal Year                                     |   |                  | 0017-012          | 0123-027        |                            | 0122-023               | 0123-027                                  | 0027-004                   |                           | Total                       |                   |
| 2008   | 250,000   | 406,713          | 656,713           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 516,831           |
| 2009   | 250,000   | 396,713          | 646,713           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 506,831           |
| 2010   | 275,000   | 386,213          | 661,213           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 521,331           |
| 2011   | 275,000   | 375,213          | 650,213           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 510,331           |
| 2012   | 300,000   | 363,713          | 663,713           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 523,831           |
| 2013   | 300,000   | 350,213          | 650,213           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 510,331           |
| 2014   | 325,000   | 334,588          | 659,588           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 519,706           |
| 2015   | 325,000   | 318,338          | 643,338           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 503,456           |
| 2016   | 350,000   | 301,463          | 651,463           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 511,581           |
| 2017   | 375,000   | 283,338          | 658,338           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 518,456           |
| 2018   | 375,000   | 264,588          | 639,588           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 499,706           |
| 2019   | 400,000   | 247,213          | 647,213           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 507,331           |
| 2020   | 425,000   | 230,606          | 655,606           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 515,724           |
| 2021   | 425,000   | 213,288          | 638,288           |                 |                            | 106,264                |   | 33,618                     |                           | 139,882                     | 498,406           |
| 2022   | 450,000   | 195,294          | 645,294           |                 |                            | 106,264                |   | 16,809                     |                           | 123,073                     | 522,221           |
| 2023   | 475,000   | 176,156          | 651,156           |                 |                            |                        |   |                            |                           |                             | 651,156           |
| 2024   | 500,000   | 155,800          | 655,800           |                 |                            |                        |   |                            |                           |                             | 655,800           |
| 2025   | 525,000   | 134,275          | 659,275           |                 |                            |                        |   |                            |                           |                             | 659,275           |
| 2026   | 525,000   | 112,094          | 637,094           |                 |                            |                        |   |                            |                           |                             | 637,094           |
| 2027   | 550,000   | 89,250           | 639,250           |                 |                            |                        |   |                            |                           |                             | 639,250           |
| 2028   | 575,000   | 65,344           | 640,344           |                 |                            |                        |   |                            |                           |                             | 640,344           |
| 2029   | 600,000   | 40,375           | 640,375           |                 |                            |                        |   |                            |                           |                             | 640,375           |
| 2030   | 650,000   | 13,806           | 663,806           |                 |                            |                        |   |                            |                           |                             | 663,806           |
| <b>Total:</b>  | <b>9,500,000</b>  | <b>5,454,594</b> | <b>14,954,594</b> |                 |                            | <b>1,593,960</b>       |   | <b>487,460</b>             |                           | <b>2,081,420</b>            | <b>12,873,174</b> |
| <b>Annual Aid:<br/>Bond Issues in which<br/>Projects are Included:</b> |   |                  |                   |                 |                            | 100,264                |   | 57,962                     |                           |                             |                   |
|  |   |                  |                   | 2003A (7%)      | 2005C (9%)                 | 2007A (100%)           |   | 2005C (96.7%)              | 2003A (42%)               |                             |                   |
|  |   |                  |                   | 2007A (84%)     | 2007A (1.7%)               |                        |   | 2007A (1.7%)               | 2007A (58%)               |                             |                   |
|  |   |                  |                   |                 | 1.6% Unissued              |                        |   | 1.6% Unissued              |                           |                             |                   |

SD % est

<sup>1</sup> Source: SED Website; State Aid Building - Prospective Project Amortization Report

**City of Syracuse**  
**Onondaga County, New York**  
**City School District Debt Profile/State Aid**  
*As of November 2007*

| Par:<br><br>Title:<br>Principal:   | City of Syracuse<br>Onondaga County, New York<br>Public Improvement Bonds<br>Outstanding Debt Summary |                   |                    |                   |                      |
|------------------------------------|---|-------------------|--------------------|-------------------|----------------------|
|                                    | Total Principal   | Total Interest    | Total D/S          | Total State Aid   | Est. Net Local Share |
| Amount Outstanding:<br>Fiscal Year |   |                   |                    |                   |                      |
| 2008                               | 9,954,990   | 4,522,014         | 14,477,004         | 8,657,191         | 5,496,518            |
| 2009                               | 10,140,391  | 4,099,010         | 14,239,401         | 8,657,191         | 5,259,193            |
| 2010                               | 10,015,518  | 3,660,160         | 13,675,678         | 8,657,191         | 4,841,547            |
| 2011                               | 8,273,609   | 3,268,132         | 11,541,741         | 7,972,367         | 3,391,785            |
| 2012                               | 6,832,936   | 2,942,884         | 9,775,820          | 7,627,003         | 1,978,467            |
| 2013                               | 7,077,290   | 2,654,830         | 9,732,120          | 7,569,437         | 1,995,120            |
| 2014                               | 6,789,669   | 2,363,351         | 9,153,020          | 7,569,437         | 1,415,349            |
| 2015                               | 6,105,628   | 2,064,862         | 8,170,490          | 6,899,243         | 1,102,808            |
| 2016                               | 4,948,991   | 1,809,696         | 6,758,687          | 5,915,263         | 843,424              |
| 2017                               | 5,178,991   | 1,573,564         | 6,752,555          | 5,592,690         | 1,159,865            |
| 2018                               | 5,423,231   | 1,328,627         | 6,751,858          | 5,417,772         | 1,334,086            |
| 2019                               | 5,679,434   | 1,078,133         | 6,757,567          | 4,839,635         | 1,917,932            |
| 2020                               | 3,640,000   | 852,204           | 4,492,204          | 3,753,350         | 738,854              |
| 2021                               | 3,780,000   | 694,200           | 4,474,200          | 3,514,311         | 959,889              |
| 2022                               | 2,975,000   | 548,325           | 3,523,325          | 274,602           | 3,248,723            |
| 2023                               | 2,050,000   | 415,344           | 2,465,344          | -                 | 2,465,344            |
| 2024                               | 2,125,000   | 327,988           | 2,452,988          | -                 | 2,452,988            |
| 2025                               | 2,250,000   | 235,303           | 2,485,303          | -                 | 2,485,303            |
| 2026                               | 1,325,000   | 158,679           | 1,483,679          | -                 | 1,483,679            |
| 2027                               | 1,050,000   | 100,501           | 1,150,501          | -                 | 1,150,501            |
| 2028                               | 575,000   | 65,344            | 640,344            | -                 | 640,344              |
| 2029                               | 600,000   | 40,375            | 640,375            | -                 | 640,375              |
| 2030                               | 650,000   | 13,806            | 663,806            | -                 | 663,806              |
| <b>Total:</b>                      | <b>107,440,678</b>  | <b>34,817,332</b> | <b>142,258,010</b> | <b>92,916,582</b> | <b>47,665,901</b>    |

## City of Syracuse

### Multiyear Financial Plan and Fiscal Performance Plan 2007/08–2010/11

Submitted to:  
New York State Division of Budget  
New York State Office of the Comptroller  
July 31, 2007

#### **Multiyear Financial Plan**

- Summary of Gap Projections all Funds
- Major Revenue Assumptions all Funds:
- Major Expenditure Assumptions all Funds:
- Multi-Year Revenue Projections all Funds:
- Multi-Year Expenditure Projections all Funds:
- Summary of Fund Balance all Funds:
- Real Property Tax Worksheet:
- Summary of Labor Agreements:

- Eight Years Actual Revenues all Funds:
- Eight Years Actual Expenditures all Funds:
- Comparison of Full-Time Budgeted Positions (1990-2007/08):

### **Fiscal Improvement Plan**

- Fiscal Improvement Plan – Narrative:
- Fiscal Improvement Plan – Worksheet:

### **Fiscal Accountability Report**

- Fiscal Accountability Report – Narrative:

## Summary of Gap Projections all Funds:

## FISCAL PLAN SUMMARY 2006/07-2010/11

### Gap Projections

| GENERAL FUND         | 2006/2007<br>Projected | 2007/2008<br>Budget | 2008/2009<br>Projected | 2009/2010<br>Projected | 2010/2011<br>Projected |
|----------------------|------------------------|---------------------|------------------------|------------------------|------------------------|
| General Fund Revenue | \$199,604,487          | \$212,383,732       | \$202,503,895          | \$210,935,996          | \$221,188,386          |
| General Fund Approp. | \$192,639,323          | \$212,383,732       | \$225,431,177          | \$236,376,796          | \$248,986,756          |
| General Fund Gap     | \$6,965,164            | \$0                 | -\$22,927,282          | -\$25,440,800          | -\$27,798,371          |
| Revenue Growth       |                        | 6.40%               | -4.65%                 | 4.16%                  | 4.86%                  |
| Appropriation Growth |                        | 10.25%              | 6.14%                  | 4.86%                  | 5.33%                  |
| <br>                 |                        |                     |                        |                        |                        |
| WATER FUND           | 2006/2007<br>Projected | 2007/2008<br>Budget | 2008/2009<br>Projected | 2009/2010<br>Projected | 2010/2011<br>Projected |
| Water Fund Revenue   | \$16,783,925           | \$17,332,107        | \$17,332,107           | \$17,332,107           | \$17,332,107           |
| Water Fund Approp.   | \$16,847,636           | \$17,332,107        | \$19,274,009           | \$21,275,422           | \$24,145,664           |
| Water Fund Gap       | -\$63,711              | \$0                 | -\$1,941,902           | -\$3,943,315           | -\$6,813,557           |
| Revenue Growth       |                        | 3.27%               | 0.00%                  | 0.00%                  | 0.00%                  |
| Appropriation Growth |                        | 2.88%               | 11.20%                 | 10.38%                 | 13.49%                 |
| <br>                 |                        |                     |                        |                        |                        |
| SEWER FUND           | 2006/2007<br>Projected | 2007/2008<br>Budget | 2008/2009<br>Projected | 2009/2010<br>Projected | 2010/2011<br>Projected |
| Sewer Fund Revenue   | \$4,581,529            | \$4,744,922         | \$4,744,922            | \$4,744,922            | \$4,744,922            |
| Sewer Fund Approp.   | \$4,599,821            | \$4,744,922         | \$4,825,264            | \$5,082,433            | \$5,310,350            |
| Sewer Fund Gap       | -\$18,292              | \$0                 | -\$80,342              | -\$337,511             | -\$565,428             |
| Revenue Growth       |                        | 3.57%               | 0.00%                  | 0.00%                  | 0.00%                  |
| Appropriation Growth |                        | 3.15%               | 1.69%                  | 5.33%                  | 4.48%                  |

**Major Revenue Assumptions all Funds:**

# Major Revenue Assumptions

## Property Taxes

- The property tax levy will remain at the same level set in the 2007/08 City and School District Budget.

## Syracuse City School District

- The City will hold at the 2007/08 budgeted levels all current revenue commitments to the Syracuse School District.

## New York State Aid

- State Aid for local governments projected at the current law plus the increased AIM Program Aid included in the proposed 2007/08 New York State Budget for fiscal years 2007/08 through 2010/11.

## Sales Tax Revenue

- The current local sales tax rate of 4% will be reauthorized and the current city's share of the distribution formula will not be diminished. The current City-County sales tax agreement expires on December 31, 2010.
- Assumes in 2010-2011 additional Sales Tax Revenue will be available from the Carousel Tax agreement with Onondaga County.
- Sales Tax Revenues projected to grow at 2%, which is the maximum amount per the agreement with Onondaga County.

## Other Revenues

- No new revenue sources or fee increases were projected in the plan.
- Parking Garage Revenues were adjusted in 2004 and are held constant on a going forward basis.
- The City and the County received fee reimbursements beginning in 2007 from the SIDA and will continue for the full twelve years.
- No increase in Water and Sewer Funds rates and charges.



**Major Expenditure Assumptions all Funds:**

# **Major Expenditure Assumptions**

## **Service Levels**

- All City of Syracuse services included in the 2007/08 City spending plan would continue at the 2007-2008 budgeted program levels in each operating department.

## **Personal Services**

- Wages projected to increase by 3% for Police, Fire, and all other City employees annually. This projection assumes that future labor settlements will be no more than current agreements.

## **Other Departmental Costs**

- All other departmental expenses increased by 4% annually.
- Expenses for utilities are increased by 6% annually in the Department of Public Works.

## **Special Objects of Expense**

- All current programs/expenditures will continue over the next three years.
- Most expenses were held at a constant amount based on the current Budget and the actual history of these expenses.
- Health insurance costs were increased by 10% active employees and retirees annually.
- Employee pension contributions were increased by the wage assumptions in each year.

## **Capital & Debt Service Costs**

- Debt Service costs based upon implementing the approved 2007-2008 Capital Improvement Plan.

**Multi-Year Revenue Projections all Funds:**

**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

|   | <u>2006-07</u><br><u>Projected</u> | <u>2007-08</u><br><u>Adopted</u> | <u>2008-09</u><br><u>Budget Yr.</u> | <u>2009-10</u><br><u>Budget Yr.</u> | <u>2010-11</u><br><u>Budget Yr.</u> | <u>Assumptions</u>                 |
|---|------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>GENERAL FUND</b>                         |                                    |                                  |                                     |                                     |                                     |                                    |
| <b><u>SURPLUSES AND BALANCES</u></b>        |                                    |                                  |                                     |                                     |                                     |                                    |
| Unreserved, Undesignated                    | \$0                                | \$5,748,907                      | \$0                                 | \$0                                 | \$0                                 | Assumes no fund balance is applied |
| Total, Surpluses and Balances               | \$0                                | \$5,748,907                      | \$0                                 | \$0                                 | \$0                                 |                                    |
| <b><u>REAL PROPERTY TAX ITEMS</u></b>       |                                    |                                  |                                     |                                     |                                     |                                    |
| PILOT-S.I.D.A.                              | \$4,686,660                        | \$4,256,052                      | \$4,298,613                         | \$4,341,599                         | \$4,385,015                         | adjusted, then 1% annually         |
| PILOT-Non-Profit Housing                    | \$793,749                          | \$793,749                        | \$801,686                           | \$809,703                           | \$817,800                           | adjusted, then 1% annually         |
| PILOT-Solvay Paperboard                     | \$606                              | \$606                            | \$612                               | \$618                               | \$624                               | adjusted 1% annually               |
| PILOT-OnTrack                               | \$5,108                            | \$5,108                          | \$5,159                             | \$5,211                             | \$5,263                             | adjusted 1% annually               |
| PILOT-Syracuse University Dome              | \$100,000                          | \$100,000                        | \$100,000                           | \$100,000                           | \$100,000                           | constant                           |
| PILOT-Carousel Center                       | \$1,304,664                        | \$0                              | \$0                                 | \$0                                 | \$0                                 | completed                          |
| PILOT-Co-Generation Income                  | \$715,275                          | \$715,275                        | \$729,581                           | \$744,172                           | \$759,056                           | adjusted 2% annually               |
| Special Lighting Tax                        | \$179,481                          | \$179,481                        | \$179,481                           | \$179,481                           | \$179,481                           | 2007-08 budgeted-held constant     |
| Assessable Improvements                     | \$697,188                          | \$631,730                        | \$631,730                           | \$631,730                           | \$631,730                           | constant                           |
| Assessable Improvements Buyout              | -\$269,400                         | -\$231,934                       | -\$231,934                          | -\$231,934                          | -\$231,934                          | constant                           |
| Tax Fees and Penalties                      | \$1,027,008                        | \$927,008                        | \$927,008                           | \$927,008                           | \$927,008                           | adjusted, constant                 |
| Prior Years' Tax Collection                 | \$1,593,376                        | \$1,455,632                      | \$1,455,632                         | \$1,455,632                         | \$1,455,632                         | adjusted, constant                 |
| Tax Lien Sale                               | \$1,477,839                        | \$2,177,839                      | \$1,600,000                         | \$1,600,000                         | \$1,600,000                         | adjusted-held constant             |
| Less: Uncollected City Taxes-Current Year   | -\$1,315,710                       | -\$1,375,522                     | -\$1,375,522                        | -\$1,375,522                        | -\$1,375,522                        | constant                           |
| Less: Uncollected School Taxes-Current Year | -\$2,515,178                       | -\$2,646,689                     | -\$2,646,689                        | -\$2,646,689                        | -\$2,646,689                        | constant                           |
| Total, Real Property Tax Items              | \$8,480,666                        | \$6,988,335                      | \$6,475,357                         | \$6,541,009                         | \$6,607,464                         |                                    |
| <b><u>NON-PROPERTY TAXES</u></b>            |                                    |                                  |                                     |                                     |                                     |                                    |
| Sales Tax                                   | \$59,973,544                       | \$60,952,537                     | \$62,171,588                        | \$63,415,019                        | \$64,683,320                        | assumes max.growth of 2%           |
| Sales Tax Infrastructure Reimbursement      | \$2,950,000                        | \$2,950,000                      | \$2,950,000                         | \$2,950,000                         | \$2,950,000                         | constant                           |
| Sales Tax-Carousel Mall Agreement           | \$0                                | \$0                              | \$0                                 | \$0                                 | \$2,000,000                         | projected 1st year of revenue      |
| Utilities Gross Receipts Tax                | \$2,419,933                        | \$2,419,933                      | \$2,468,332                         | \$2,517,698                         | \$2,568,052                         | 2% annually= av. growth            |
| CATV Franchise Tax                          | \$1,359,659                        | \$1,359,659                      | \$1,373,256                         | \$1,386,988                         | \$1,400,858                         | 1% annually= av. growth            |
| Dome Stadium Reimbursements                 | \$100,000                          | \$110,000                        | \$110,000                           | \$110,000                           | \$110,000                           | new agreement with Syracuse U.     |
| S U./City Service Agreement                 | \$345,250                          | \$352,500                        | \$366,600                           | \$381,264                           | \$396,515                           | CPI-4% annually                    |
| Total, Non-Property Taxes                   | \$67,148,386                       | \$68,144,629                     | \$69,439,775                        | \$70,760,970                        | \$74,108,745                        |                                    |

**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

|   | 2006-07<br>Projected | 2007-08<br>Adopted | 2008-09<br>Budget Yr. | 2009-10<br>Budget Yr. | 2010-11<br>Budget Yr. | Assumptions                     |
|---|----------------------|--------------------|-----------------------|-----------------------|-----------------------|---------------------------------|
| <b>DEPARTMENTAL INCOME</b>              |                      |                    |                       |                       |                       |                                 |
| <u>Judiciary</u>                        |                      |                    |                       |                       |                       |                                 |
| Criminal Division                       | \$102,418            | \$102,418          | \$104,466             | \$106,556             | \$108,687             | 2% annually                     |
| <u>Finances</u>                         |                      |                    |                       |                       |                       |                                 |
| Abstract Fees                           | \$71,404             | \$71,404           | \$74,260              | \$77,231              | \$80,320              | 2% annually                     |
| Duplicate Tax Bill Fee                  | \$28,840             | \$13,800           | \$14,076              | \$14,358              | \$14,645              | 2% annually                     |
| County Tax Collection Fee               | \$653,935            | \$647,661          | \$647,661             | \$647,661             | \$647,661             | constant                        |
| Onondaga County E911 Reimbursement      | \$147,866            | \$147,866          | \$0                   | \$0                   | \$0                   | debt service repayment          |
| Restitution Surcharge                   | \$464,372            | \$696,558          | \$724,420             | \$753,397             | \$783,533             | adjusted 1/08, then 4% annually |
| Handicap Parking Surcharge              | \$10,238             | \$10,238           | \$10,238              | \$10,238              | \$10,238              | constant                        |
| Licenses                                | \$85,711             | \$85,711           | \$87,425              | \$89,174              | \$90,957              | 2% annually                     |
| Bingo Licenses                          | \$3,668              | \$3,668            | \$3,668               | \$3,668               | \$3,668               | constant                        |
| Bingo Receipts/Games of Chance Receipts | \$9,837              | \$9,837            | \$9,837               | \$9,837               | \$9,837               | constant                        |
| Games of Chance Receipts                | \$3,318              | \$3,318            | \$3,318               | \$3,318               | \$3,318               | constant                        |
| Games of Chance Licenses                | \$350                | \$350              | \$350                 | \$350                 | \$350                 | constant                        |
| Certificate of Use                      | \$30,000             | \$30,000           | \$30,000              | \$30,000              | \$30,000              | constant                        |
| Fines and Penalties Viol/Traffic        | \$531,371            | \$428,685          | \$445,832             | \$463,666             | \$482,212             | asadjusted, 4% annually         |
| Parking Ticket Receipts                 | \$1,412,232          | \$1,412,232        | \$1,468,721           | \$1,527,470           | \$1,588,569           | 4% annually                     |
| Miscellaneous Receipts                  | \$44,803             | \$23,505           | \$23,505              | \$23,505              | \$23,505              | constant                        |
| Subtotal                                | \$3,497,945          | \$3,584,833        | \$3,543,312           | \$3,653,872           | \$3,768,813           |                                 |
| <u>City Clerk</u>                       |                      |                    |                       |                       |                       |                                 |
| Licenses                                | \$45,071             | \$45,071           | \$45,071              | \$45,071              | \$45,071              | constant                        |
| <u>Code Enforcement</u>                 |                      |                    |                       |                       |                       |                                 |
| Building Inspection Charges             | \$470                | \$470              | \$470                 | \$470                 | \$470                 | constant                        |
| Boardup/Cleanup Charges                 | \$19,755             | \$19,755           | \$19,755              | \$19,755              | \$19,755              | constant                        |
| Building Permits                        | \$1,426,464          | \$1,500,000        | \$1,560,000           | \$1,622,400           | \$1,687,296           | adjusted, then 4% annually      |
| Certificates of Compliance              | \$156,941            | \$250,000          | \$260,000             | \$270,400             | \$281,216             | adjusted, then 4% annually      |
| Board of Zoning Appeals                 | \$200                | \$600              | \$600                 | \$600                 | \$600                 | constant                        |
| Electrician Licenses                    | \$50,940             | \$50,940           | \$50,940              | \$50,940              | \$50,940              | constant                        |
| Heating Licenses                        | \$81,050             | \$81,050           | \$81,050              | \$81,050              | \$81,050              | constant                        |
| Elevator Licenses                       | \$12,745             | \$12,745           | \$12,745              | \$12,745              | \$12,745              | constant                        |
| Residential Inspection Charges          | \$0                  | \$270,000          | \$270,000             | \$270,000             | \$270,000             | constant                        |
| Parking Garage Registration             | \$3,750              | \$3,750            | \$3,750               | \$3,750               | \$3,750               | constant                        |
| Subtotal                                | \$1,752,315          | \$2,189,310        | \$2,259,310           | \$2,332,110           | \$2,407,822           |                                 |

**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

|  | <u>2006-07</u><br><u>Projected</u> | <u>2007-08</u><br><u>Adopted</u> | <u>2008-09</u><br><u>Budget Yr.</u> | <u>2009-10</u><br><u>Budget Yr.</u> | <u>2010-11</u><br><u>Budget Yr.</u> | <u>Assumptions</u>             |
|--|------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|
| <b><u>Parks and Recreation</u></b>     |                                    |                                  |                                     |                                     |                                     |                                |
| Ballfield Fees                         | \$2,000                            | \$2,000                          | \$2,000                             | \$2,000                             | \$2,000                             | constant                       |
| OCC Reimbursement-Aquatics             | \$1,740                            | \$1,000                          | \$1,000                             | \$1,000                             | \$1,000                             | constant                       |
| Fit for Fifty Reimbursement            | \$195                              | \$200                            | \$200                               | \$200                               | \$200                               | constant                       |
| Animal Control Fines                   | \$13,196                           | \$14,400                         | \$14,400                            | \$14,400                            | \$14,400                            | constant                       |
| Park Fees and Concessions              | \$310,600                          | \$285,500                        | \$285,500                           | \$285,500                           | \$285,500                           | adjusted, then constant        |
| Clinton Square Rink Fees               | \$126,327                          | \$140,000                        | \$140,000                           | \$140,000                           | \$140,000                           | constant                       |
| Subtotal                               | \$454,058                          | \$443,100                        | \$443,100                           | \$443,100                           | \$443,100                           | revenues stable, little growth |
| <b><u>Fire</u></b>                     |                                    |                                  |                                     |                                     |                                     |                                |
| Reports and Permits                    | \$21,769                           | \$25,156                         | \$25,156                            | \$25,156                            | \$25,156                            | constant                       |
| Smoke Detector Donations               | \$8,367                            | \$6,500                          | \$6,500                             | \$6,500                             | \$6,500                             | constant                       |
| Fire Reimbursement - Other Governments | \$40,160                           | \$33,935                         | \$33,935                            | \$33,935                            | \$33,935                            | constant                       |
| Subtotal                               | \$70,296                           | \$65,591                         | \$65,591                            | \$65,591                            | \$65,591                            | revenues stable, little growth |
| <b><u>Police</u></b>                   |                                    |                                  |                                     |                                     |                                     |                                |
| Reports and Records                    | \$16,736                           | \$16,736                         | \$16,736                            | \$16,736                            | \$16,736                            | constant                       |
| Annual Alarm Fee                       | \$13,050                           | \$13,050                         | \$13,050                            | \$13,050                            | \$13,050                            | constant                       |
| Police Services to Outside Agencies    | \$589,408                          | \$589,408                        | \$589,408                           | \$589,408                           | \$589,408                           | constant                       |
| Police-Abandoned Vehicles              | \$143,755                          | \$143,755                        | \$143,755                           | \$143,755                           | \$143,755                           | constant                       |
| Subtotal                               | \$762,949                          | \$762,949                        | \$762,949                           | \$762,949                           | \$762,949                           | revenues stable, little growth |
| <b><u>Planning Commission</u></b>      |                                    |                                  |                                     |                                     |                                     |                                |
| Fees and Penalties                     | \$1,375                            | \$1,375                          | \$1,430                             | \$1,487                             | \$1,547                             | adjusted 4% annually           |
| <b><u>Law</u></b>                      |                                    |                                  |                                     |                                     |                                     |                                |
| Housing Court Fines                    | \$152,674                          | \$152,674                        | \$158,781                           | \$165,132                           | \$171,737                           | adjusted 4% annually           |
| Law Department Charges                 | \$2,269                            | \$2,269                          | \$2,269                             | \$2,269                             | \$2,269                             | constant                       |
| Subtotal                               | \$154,943                          | \$154,943                        | \$161,050                           | \$167,401                           | \$174,006                           |                                |

**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

|   | 2006-07<br>Projected | 2007-08<br>Adopted  | 2008-09<br>Budget Yr. | 2009-10<br>Budget Yr. | 2010-11<br>Budget Yr. | Assumptions                     |
|---|----------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------------------|
| <b>Public Works</b>                               |                      |                     |                       |                       |                       |                                 |
| Charges for Services                              | \$15,392             | \$15,392            | \$15,392              | \$15,392              | \$15,392              | constant                        |
| Paving Cuts                                       | \$79,127             | \$79,127            | \$79,127              | \$79,127              | \$79,127              | constant                        |
| DPW Charges-Outside Agencies (Syr. Housing Auth.) | \$51,582             | \$51,582            | \$52,614              | \$53,666              | \$54,739              | 2% annually                     |
| Parking Meter Receipts                            | \$1,470,846          | \$1,470,846         | \$1,529,680           | \$1,590,867           | \$1,654,502           | 4% annually                     |
| Parking Lots                                      | \$172,791            | \$172,791           | \$159,320             | \$159,320             | \$159,320             | adjusted, constant              |
| City Garage                                       | \$667,525            | \$667,525           | \$667,525             | \$667,525             | \$667,525             | constant-rate increase 2004-05  |
| Onondaga Tower Garage                             | \$410,485            | \$465,000           | \$465,000             | \$465,000             | \$465,000             | constant-rate increase 2004-05  |
| Fayette Parking Garage                            | \$537,006            | \$556,340           | \$556,340             | \$556,340             | \$556,340             | constant-rate increase 2004-05  |
| Madison-Irving Parking Garage                     | \$489,850            | \$522,923           | \$522,923             | \$522,923             | \$522,923             | constant-rate increase 2004-05  |
| Harrison Street Garage                            | \$669,577            | \$744,800           | \$744,800             | \$744,800             | \$744,800             | constant-rate increase 2004-05  |
| Washington Street Parking Garage                  | \$518,185            | \$569,645           | \$569,645             | \$569,645             | \$569,645             | constant-rate increase 2004-05  |
| Armory Square Garage                              | \$108,143            | \$115,000           | \$115,000             | \$115,000             | \$115,000             | constant-rate increase 2004-05  |
| OnCenter Parking Garage                           | \$57,409             | \$10,000            | \$10,000              | \$10,000              | \$10,000              | not a dependable revenue source |
| MONY Parking Garage                               | \$594,702            | \$678,621           | \$678,621             | \$678,621             | \$678,621             | constant-rate increase 2004-05  |
| Autopark Revenues                                 | \$22,173             | \$22,173            | \$22,173              | \$22,173              | \$22,173              | constant                        |
| DPW Loading Zone Permits                          | \$2,035              | \$2,035             | \$2,035               | \$2,035               | \$2,035               | constant                        |
| Recycling Revenues                                | \$30,931             | \$30,931            | \$32,168              | \$33,455              | \$34,793              | adjusted 4% annually            |
| Refuse & Garbage Charges                          | \$133,201            | \$133,201           | \$133,201             | \$133,201             | \$133,201             | constant                        |
| Charges for Services-Other Governments            | \$191,925            | \$191,925           | \$191,925             | \$191,925             | \$191,925             | constant                        |
| <b>Subtotal</b>                                   | <b>\$6,222,885</b>   | <b>\$6,499,857</b>  | <b>\$6,547,489</b>    | <b>\$6,611,015</b>    | <b>\$6,677,061</b>    |                                 |
| <b>Assessment</b>                                 |                      |                     |                       |                       |                       |                                 |
| Title Work  | \$6,900              | \$6,900             | \$6,900               | \$6,900               | \$6,900               | constant                        |
| Appraisal Fees                                    | \$2,800              | \$2,800             | \$2,800               | \$2,800               | \$2,800               | constant                        |
| <b>Subtotal</b>                                   | <b>\$9,700</b>       | <b>\$9,700</b>      | <b>\$9,700</b>        | <b>\$9,700</b>        | <b>\$9,700</b>        |                                 |
| <b>Total, Departmental Income</b>                 | <b>\$13,073,955</b>  | <b>\$13,859,147</b> | <b>\$13,943,468</b>   | <b>\$14,198,852</b>   | <b>\$14,464,347</b>   |                                 |





**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

|   | 2006-07<br>Projected | 2007-08<br>Adopted   | 2008-09<br>Budget Yr. | 2009-10<br>Budget Yr. | 2010-11<br>Budget Yr. | Assumptions                                    |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|--|
| <b>MISCELLANEOUS REVENUE &amp; RESOURCES</b>      |                      |                      |                       |                       |                       |  |
| Medicare Part D Subsidy                           | \$612,332            | \$612,332            | \$612,332             | \$612,332             | \$612,332             | projected 2007/08 amount, held constant        |
| Bid/Spec. Revenue                                 | \$9,610              | \$10,000             | \$10,400              | \$10,816              | \$11,249              | 4% annually                                    |
| Insurance Recoveries                              | \$124,018            | \$125,000            | \$130,000             | \$135,200             | \$140,608             | 4% annually                                    |
| Miscellaneous Compensation for Loss               | \$353                | \$400                | \$400                 | \$400                 | \$400                 | constant                                       |
| Project Orange Contributions                      | \$19,799             | \$19,799             | \$20,591              | \$21,415              | \$22,271              | 4% annually                                    |
| SIDA Reimbursement - Carousel Mall                | \$9,790,000          | \$9,790,000          | \$3,382,000           | \$3,382,000           | \$3,382,000           | fees paid to the City from SIDA                |
| General Gov't Reimbursement-Other                 | \$1,297              | \$0                  | \$0                   | \$0                   | \$0                   | misc. revenue                                  |
| Aviation Fund Reimbursements                      | \$1,080,000          | \$1,080,000          | \$1,080,000           | \$1,080,000           | \$1,080,000           | constant                                       |
| Intcrfund Transfer-Water Fund                     | \$1,400,000          | \$800,000            | \$800,000             | \$800,000             | \$800,000             | constant                                       |
| <b>Total, Miscellaneous Revenue and Resources</b> | <b>\$13,037,409</b>  | <b>\$12,437,531</b>  | <b>\$6,035,723</b>    | <b>\$6,042,163</b>    | <b>\$6,048,860</b>    |  |
| <b>TOTAL GENERAL FUND REVENUE</b>                 | <b>\$173,854,678</b> | <b>\$186,315,154</b> | <b>\$176,287,452</b>  | <b>\$184,719,553</b>  | <b>\$194,971,943</b>  |  |
| <b>TAX LEVY</b>                                   |                      |                      |                       |                       |                       |  |
| Tax Budget  | \$25,494,860         | \$25,810,472         | \$25,810,472          | \$25,810,472          | \$25,810,472          |  |
| STAR  | \$0                  | \$0                  | \$0                   | \$0                   | \$0                   |  |
| 1% Pursuant to Law                                | \$254,949            | \$258,105            | \$258,105             | \$258,105             | \$258,105             |  |
| <b>TOTAL TAX LEVY</b>                             | <b>\$25,749,809</b>  | <b>\$26,068,577</b>  | <b>\$26,068,577</b>   | <b>\$26,068,577</b>   | <b>\$26,068,577</b>   |  |
| <b>TOTAL ALL REVENUES AND TAX PROCEEDS</b>        | <b>\$199,604,487</b> | <b>\$212,383,731</b> | <b>\$202,356,029</b>  | <b>\$210,788,130</b>  | <b>\$221,040,520</b>  |  |
| <b>Nonrecurring General Fund Revenues</b>         |                      |                      |                       |                       |                       |  |
| Unreserved, Undesignated                          | \$0                  | \$5,748,907          | \$0                   | \$0                   | \$0                   | Assumes no fund balance is applied             |
| PILOT-Carousel Center                             | \$1,304,664          | \$0                  | \$0                   | \$0                   | \$0                   | completed                                      |
| Onondaga County E911 Reimbursement                | \$147,866            | \$147,866            | \$0                   | \$0                   | \$0                   | debt service repayment complete                |
| Spinup Aid  | \$3,400,000          | \$5,000,000          | \$0                   | \$0                   | \$0                   | aid program ended                              |
| SIDA Reimbursement - Carousel Mall                | \$9,790,000          | \$9,790,000          | \$3,382,000           | \$3,382,000           | \$3,382,000           | fees paid to the City from SIDA drop to \$3.4m |
| <b>TOTAL</b>                                      | <b>\$14,642,530</b>  | <b>\$20,686,773</b>  | <b>\$3,382,000</b>    | <b>\$3,382,000</b>    | <b>\$3,382,000</b>    |  |

**City of Syracuse**  
**Projected Revenues 2006/07 - 2010/11**

| <b>SPECIAL FUNDS</b>     | <b>2006-07<br/>Projected</b> | <b>2007-08<br/>Adopted</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b> |
|--------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------|
| <b>WATER FUND</b>        |                              |                            |                               |                               |                               |                    |
| Sale of Water            | \$15,848,136                 | \$16,396,318               | \$16,396,318                  | \$16,396,318                  | \$16,396,318                  | constant           |
| Other Revenues           | \$935,789                    | \$935,789                  | \$935,789                     | \$935,789                     | \$935,789                     | constant           |
| <b>Total, Water Fund</b> | <b>\$16,783,925</b>          | <b>\$17,332,107</b>        | <b>\$17,332,107</b>           | <b>\$17,332,107</b>           | <b>\$17,332,107</b>           |                    |

Nonrecurring Water Fund Revenues  
 none

|                          |                    |                    |                    |                    |                    |          |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------|
| <b>SEWER FUND</b>        |                    |                    |                    |                    |                    |          |
| Sewer Rents              | \$4,581,529        | \$4,744,922        | \$4,744,922        | \$4,744,922        | \$4,744,922        | constant |
| Other Revenues           | \$0                | \$0                | \$0                | \$0                | \$0                |          |
| <b>Total, Sewer Fund</b> | <b>\$4,581,529</b> | <b>\$4,744,922</b> | <b>\$4,744,922</b> | <b>\$4,744,922</b> | <b>\$4,744,922</b> |          |

Nonrecurring Sewer Fund Revenues  
 none

**Multi-Year Expenditure Projections all Funds:**

**City of Syracuse**

**GENERAL CITY-SUMMARY OF APPROPRIATIONS**

| <b>Departments</b>          | <b>2006/07<br/>Projected</b> | <b>2007-08<br/>Adopted</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b>     |
|-----------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------|
| <b>Common Council</b>       |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$372,953                    | \$377,900                  | \$406,753                     | \$418,955                     | \$431,524                     | 3% compounded annually |
| Other                       | \$46,151                     | \$16,850                   | \$17,524                      | \$18,225                      | \$18,954                      | 4% compounded annually |
| <b>Total</b>                | <b>\$419,104</b>             | <b>\$394,750</b>           | <b>\$424,277</b>              | <b>\$437,180</b>              | <b>\$450,478</b>              |                        |
| <b>Citizen Review Board</b> |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$115,504                    | \$116,302                  | \$125,182                     | \$128,937                     | \$132,805                     | 3% compounded annually |
| Other                       | \$6,000                      | \$10,750                   | \$11,180                      | \$11,627                      | \$12,092                      | 4% compounded annually |
| <b>Total</b>                | <b>\$121,504</b>             | <b>\$127,052</b>           | <b>\$136,362</b>              | <b>\$140,564</b>              | <b>\$144,898</b>              |                        |
| <b>Excutive</b>             |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$1,796,751                  | \$1,939,103                | \$2,087,154                   | \$2,149,768                   | \$2,214,261                   | 3% compounded annually |
| Other                       | \$495,002                    | \$522,101                  | \$542,985                     | \$564,704                     | \$587,293                     | 4% compounded annually |
| <b>Total</b>                | <b>\$2,291,753</b>           | <b>\$2,461,204</b>         | <b>\$2,630,139</b>            | <b>\$2,714,473</b>            | <b>\$2,801,554</b>            |                        |
| <b>Finance</b>              |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$1,109,079                  | \$1,145,335                | \$1,232,781                   | \$1,269,765                   | \$1,307,858                   | 3% compounded annually |
| Other                       | \$741,580                    | \$801,977                  | \$834,056                     | \$867,418                     | \$902,115                     | 4% compounded annually |
| <b>Total</b>                | <b>\$1,850,659</b>           | <b>\$1,947,312</b>         | <b>\$2,066,837</b>            | <b>\$2,137,183</b>            | <b>\$2,209,973</b>            |                        |
| <b>Audit</b>                |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$199,992                    | \$207,538                  | \$223,384                     | \$230,085                     | \$236,988                     | 3% compounded annually |
| Other                       | \$8,742                      | \$9,508                    | \$9,888                       | \$10,284                      | \$10,695                      | 4% compounded annually |
| <b>Total</b>                | <b>\$208,734</b>             | <b>\$217,046</b>           | <b>\$233,272</b>              | <b>\$240,369</b>              | <b>\$247,683</b>              |                        |
| <b>City Clerk</b>           |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$252,515                    | \$254,940                  | \$274,405                     | \$282,637                     | \$291,116                     | 3% compounded annually |
| Other                       | \$10,225                     | \$13,296                   | \$13,828                      | \$14,381                      | \$14,956                      | 4% compounded annually |
| <b>Total</b>                | <b>\$262,740</b>             | <b>\$268,236</b>           | <b>\$288,233</b>              | <b>\$297,018</b>              | <b>\$306,072</b>              |                        |
| <b>Assessment</b>           |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$444,835                    | \$447,966                  | \$482,168                     | \$496,633                     | \$511,532                     | 3% compounded annually |
| Other                       | \$51,250                     | \$49,250                   | \$51,220                      | \$53,269                      | \$55,400                      | 4% compounded annually |
| <b>Total</b>                | <b>\$496,085</b>             | <b>\$497,216</b>           | <b>\$533,388</b>              | <b>\$549,902</b>              | <b>\$566,932</b>              |                        |
| <b>Law</b>                  |                              |                            |                               |                               |                               |                        |
| Personal Services           | \$998,850                    | \$1,025,985                | \$1,104,319                   | \$1,137,449                   | \$1,171,572                   | 3% compounded annually |
| Other                       | \$383,670                    | \$447,005                  | \$464,885                     | \$483,481                     | \$502,820                     | 4% compounded annually |
| <b>Total</b>                | <b>\$1,382,520</b>           | <b>\$1,472,990</b>         | <b>\$1,569,204</b>            | <b>\$1,620,929</b>            | <b>\$1,674,392</b>            |                        |

**City of Syracuse**  
**GENERAL CITY-SUMMARY OF APPROPRIATIONS**

| <b>Departments</b>                       | <b>2006/07<br/>Projected</b> | <b>2007-08<br/>Adopted</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b>      |
|--|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------|
| <b>Elections</b>                         |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$0                          | \$0                        | \$0                           | \$0                           | \$0                           | County takeover in 2006 |
| Other                                    | \$0                          | \$0                        | \$0                           | \$0                           | \$0                           | County takeover in 2006 |
| <b>Total</b>                             | <b>\$0</b>                   | <b>\$0</b>                 | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    |                         |
| <b>Community Development</b>             |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$764,777                    | \$855,001                  | \$920,280                     | \$947,889                     | \$976,325                     | 3% compounded annually  |
| Other                                    | \$2,725,497                  | \$3,328,660                | \$3,461,806                   | \$3,600,279                   | \$3,744,290                   | adjusted, 4% compounded |
| <b>Total</b>                             | <b>\$3,490,274</b>           | <b>\$4,183,661</b>         | <b>\$4,382,087</b>            | <b>\$4,548,167</b>            | <b>\$4,720,615</b>            |                         |
| <b>Economic Development</b>              |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$7,577                      | \$7,880                    | \$8,482                       | \$8,736                       | \$8,998                       | 3% compounded annually  |
| Other                                    | \$57,157                     | \$48,358                   | \$50,292                      | \$52,304                      | \$54,396                      | 4% compounded annually  |
| <b>Total</b>                             | <b>\$64,734</b>              | <b>\$56,238</b>            | <b>\$58,774</b>               | <b>\$61,040</b>               | <b>\$63,394</b>               |                         |
| <b>Engineering</b>                       |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$3,516,989                  | \$3,660,989                | \$3,940,506                   | \$4,058,721                   | \$4,180,482                   | 3% compounded annually  |
| Other                                    | \$746,615                    | \$812,325                  | \$844,818                     | \$878,611                     | \$913,755                     | 4% compounded annually  |
| <b>Total</b>                             | <b>\$4,263,604</b>           | <b>\$4,473,314</b>         | <b>\$4,785,324</b>            | <b>\$4,937,331</b>            | <b>\$5,094,237</b>            |                         |
| <b>Public Works</b>                      |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$9,543,355                  | \$9,872,115                | \$10,246,069                  | \$10,553,451                  | \$10,870,055                  | adjusted, 3% compounded |
| Other                                    | \$15,882,077                 | \$16,934,054               | \$17,950,097                  | \$19,027,103                  | \$20,168,729                  | adjusted, 6% compounded |
| <b>Total</b>                             | <b>\$25,425,432</b>          | <b>\$26,806,169</b>        | <b>\$28,196,166</b>           | <b>\$29,580,554</b>           | <b>\$31,038,784</b>           |                         |
| <b>Fire</b>                              |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$23,124,337                 | \$25,355,775               | \$29,548,895                  | \$30,435,362                  | \$31,348,423                  | 3% compounded annually  |
| Other                                    | \$1,573,649                  | \$1,640,990                | \$1,706,630                   | \$1,774,895                   | \$1,845,891                   | 4% compounded annually  |
| <b>Total</b>                             | <b>\$24,697,986</b>          | <b>\$26,996,765</b>        | <b>\$31,255,525</b>           | <b>\$32,210,257</b>           | <b>\$33,194,314</b>           |                         |
| <b>Police</b>                            |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$36,468,721                 | \$36,474,824               | \$42,963,116                  | \$44,252,009                  | \$45,579,570                  | 3% compounded annually  |
| Other                                    | \$3,118,500                  | \$3,297,160                | \$3,429,046                   | \$3,566,208                   | \$3,708,857                   | adjusted, 4% compounded |
| <b>Total</b>                             | <b>\$39,587,221</b>          | <b>\$39,771,984</b>        | <b>\$46,392,162</b>           | <b>\$47,818,218</b>           | <b>\$49,288,426</b>           |                         |
| <b>Parks and Recreation</b>              |                              |                            |                               |                               |                               |                         |
| Personal Services                        | \$4,590,601                  | \$4,764,620                | \$5,000,319                   | \$5,150,329                   | \$5,304,839                   | adjusted, 3% compounded |
| Other                                    | \$2,170,165                  | \$2,421,095                | \$2,517,939                   | \$2,618,656                   | \$2,723,403                   | adjusted, 4% compounded |
| <b>Total</b>                             | <b>\$6,760,766</b>           | <b>\$7,185,715</b>         | <b>\$7,518,258</b>            | <b>\$7,768,985</b>            | <b>\$8,028,241</b>            |                         |
| <b>Total Departmental Appropriations</b> | <b>\$111,323,116</b>         | <b>\$116,859,652</b>       | <b>\$130,470,007</b>          | <b>\$135,062,171</b>          | <b>\$139,829,993</b>          |                         |

**City of Syracuse**  
**GENERAL CITY-SUMMARY OF APPROPRIATIONS**

| <b>Special Objects of Expense</b>          | <b>2006/07<br/>Projected</b> | <b>2007-08<br/>Adopted</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b>             |
|--|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Fiscal Services                            | \$170,000                    | \$410,000                  | \$175,000                     | \$175,000                     | \$175,000                     | adjusted, constant             |
| Board of Assessment Review                 | \$11,000                     | \$12,400                   | \$12,400                      | \$12,400                      | \$12,400                      | constant                       |
| Printing & Advertising                     | \$290,000                    | \$215,000                  | \$250,000                     | \$250,000                     | \$250,000                     | adjusted, constant             |
| Labor Relations Expense                    | \$125,000                    | \$175,000                  | \$125,000                     | \$125,000                     | \$125,000                     | adjusted, constant             |
| Unallocated Insurance                      | \$45,000                     | \$45,000                   | \$45,000                      | \$45,000                      | \$45,000                      | constant                       |
| Conference & Association Dues              | \$37,458                     | \$39,000                   | \$39,000                      | \$39,000                      | \$39,000                      | constant                       |
| Judgments and Claims                       | \$195,000                    | \$300,000                  | \$300,000                     | \$300,000                     | \$300,000                     | constant                       |
| Summer Employment for At-Risk Youth<br>VIP | \$49,000<br>\$150,000        | \$65,000<br>\$200,000      | \$65,000<br>\$200,000         | \$65,000<br>\$200,000         | \$65,000<br>\$200,000         | constant<br>constant           |
| Tax Certiorari                             | \$20,000                     | \$40,000                   | \$40,000                      | \$40,000                      | \$40,000                      | constant                       |
| Prior Year's Special Assessment Refund     | \$2,500                      | \$5,000                    | \$5,000                       | \$5,000                       | \$5,000                       | constant                       |
| City Share of Local Assessment             | \$351,622                    | \$340,000                  | \$340,000                     | \$340,000                     | \$340,000                     | adjusted, constant             |
| City Share of Tax Deeds                    | \$314,200                    | \$325,000                  | \$325,000                     | \$325,000                     | \$325,000                     | constant                       |
| External Auditors                          | \$93,017                     | \$92,500                   | \$92,500                      | \$92,500                      | \$92,500                      | adjusted, constant             |
| Financial Management System                | \$109,458                    | \$113,000                  | \$107,000                     | \$107,000                     | \$107,000                     | constant                       |
| Special Audit Services                     | \$30,000                     | \$50,000                   | \$50,000                      | \$50,000                      | \$50,000                      | constant                       |
| GASB 45 Actuarial Valuation                | \$0                          | \$45,000                   | \$0                           | \$0                           | \$0                           | one-time expense               |
| City/County Courthouse                     | \$1,685,718                  | \$1,800,000                | \$1,800,000                   | \$1,800,000                   | \$1,800,000                   | debt service & operating costs |
| Code Enforcement Demolition                | \$700,000                    | \$700,000                  | \$728,000                     | \$757,120                     | \$787,405                     | 4% annually                    |
| Onondaga Historical Association            | \$20,000                     | \$20,000                   | \$20,000                      | \$20,000                      | \$20,000                      | constant                       |
| Miscellaneous Celebrations                 | \$43,500                     | \$43,500                   | \$43,500                      | \$43,500                      | \$43,500                      | constant                       |
| Clinton Square-Special Events              | \$0                          | \$300,000                  | \$300,000                     | \$300,000                     | \$300,000                     | constant                       |
| Urban Cultural Parks Expenses              | \$45,000                     | \$45,000                   | \$45,000                      | \$45,000                      | \$45,000                      | constant                       |
| Metronet                                   | \$28,303                     | \$54,280                   | \$54,280                      | \$54,280                      | \$54,280                      | constant                       |
| Comprehensive Plan                         | \$89,000                     | \$75,000                   | \$0                           | \$0                           | \$0                           | completed in 2006/07           |
| Heritage Trail                             | \$21,000                     | \$0                        | \$0                           | \$0                           | \$0                           | one-time expense               |
| University Neighborhood Grant Fund         | \$338,000                    | \$352,581                  | \$366,684                     | \$381,352                     | \$396,606                     | CPI-4% annually                |
| Westside Initiative                        | \$350,000                    | \$350,000                  | \$350,000                     | \$350,000                     | \$350,000                     | requires a matching source     |
| Leadership Syracuse                        | \$20,000                     | \$20,000                   | \$20,000                      | \$20,000                      | \$20,000                      | constant                       |
| Mandated Drug Testing                      | \$12,500                     | \$13,000                   | \$13,000                      | \$13,000                      | \$13,000                      | constant                       |
| Neighborhood Watch Groups of Syracuse      | \$71,220                     | \$72,644                   | \$71,220                      | \$71,220                      | \$71,220                      | constant                       |
| Board of Zoning Appeals                    | \$5,500                      | \$5,500                    | \$6,000                       | \$6,000                       | \$6,000                       | constant                       |
| Rescue Mission Van                         | \$36,000                     | \$36,000                   | \$36,000                      | \$36,000                      | \$36,000                      | constant                       |
| Veterans' Post Rents                       | \$700                        | \$700                      | \$1,440                       | \$1,440                       | \$1,440                       | constant                       |
| Public Power Study                         | \$0                          | \$150,000                  | \$0                           | \$0                           | \$0                           | one-time expense               |
| Allowance for Negotiations                 | \$2,595,761                  | \$6,640,128                | \$0                           | \$0                           | \$0                           | distributed                    |

City of Syracuse

GENERAL CITY-SUMMARY OF APPROPRIATIONS

| Special Objects of Expense              | 2006/07<br>Projected | 2007-08<br>Adopted   | 2008-09<br>Budget Yr. | 2009-10<br>Budget Yr. | 2010-11<br>Budget Yr. | Assumptions                    |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|--------------------------------|
| Employee Retirement System              | \$2,895,191          | \$2,563,163          | \$2,640,058           | \$2,719,260           | \$2,800,837           | 2007-08 est. adjusted-3%       |
| Police & Fire Retirement System         | \$7,940,083          | \$12,450,441         | \$13,853,954          | \$14,269,573          | \$14,697,660          | 2007-08 est. adjusted-3%       |
| Police Pension Fund-Local               | \$0                  | \$1,000              | \$36,000              | \$36,000              | \$36,000              | constant                       |
| Fire Pension Fund-Local                 | \$0                  | \$1,000              | \$36,000              | \$36,000              | \$36,000              | constant                       |
| Social Security                         | \$7,147,203          | \$7,695,054          | \$8,601,212           | \$8,859,248           | \$9,125,026           | adjusted, wage rate (3%)       |
| Workers' Compensation                   | \$2,325,000          | \$2,585,000          | \$2,636,700           | \$2,689,434           | \$2,743,223           | adjusted by 2% annually        |
| Personal Injury Protection              | \$8,000              | \$25,000             | \$50,000              | \$50,000              | \$50,000              | constant                       |
| Police 207-C Expenses                   | \$645,000            | \$650,000            | \$747,500             | \$859,625             | \$988,569             | health costs-15% yearly        |
| Fire 207-A Expenses                     | \$120,000            | \$150,000            | \$154,500             | \$159,135             | \$163,909             | wages-3% annually              |
| Unemployment Insurance                  | \$110,000            | \$150,000            | \$110,000             | \$110,000             | \$110,000             | adjusted, constant             |
| Hospital, Medical & Surgical Insurance: |                      |                      |                       |                       |                       |                                |
| --Active Employees                      | \$13,189,484         | \$14,635,551         | \$16,099,106          | \$17,709,017          | \$19,479,918          | increases-10% annually         |
| --Retirees                              | \$17,257,790         | \$18,823,315         | \$20,705,647          | \$22,776,211          | \$25,053,832          | increase-10% annually          |
| Employee Assistance Program             | \$43,250             | \$43,500             | \$43,500              | \$43,500              | \$43,500              | constant                       |
| Lease of Capital Equipment              | \$252,267            | \$0                  | \$0                   | \$0                   | \$0                   | completed                      |
| Lease of Operating Equipment            | \$2,455              | \$2,455              | \$0                   | \$0                   | \$0                   | completed                      |
| Supplemental Benefit Payment            | \$698,558            | \$740,000            | \$740,000             | \$740,000             | \$740,000             | constant                       |
| Revenue Anticipation Notes-Interest     | \$1,225,000          | \$1,420,000          | \$1,420,000           | \$1,420,000           | \$1,420,000           | constant                       |
| Interfund Transfer-City School District | \$0                  | \$0                  | \$0                   | \$0                   | \$0                   |                                |
| Debt Service-Interest                   | \$5,749,027          | \$5,493,774          | \$4,799,203           | \$4,246,294           | \$3,714,272           | current                        |
| Debt Service-Principal                  | \$13,078,493         | \$12,891,489         | \$13,584,002          | \$12,719,355          | \$13,219,390          | current                        |
| Debt Service-Interest (new projects)    | \$0                  | \$0                  | \$622,078             | \$1,687,251           | \$2,772,869           | projects authorized and in CIP |
| Debt Service-Principal (new projects)   | \$0                  | \$0                  | \$0                   | \$2,059,225           | \$3,790,722           | projects authorized and in CIP |
| Less: Use of Interest Earned            | -\$400,000           | -\$500,000           | -\$500,000            | -\$500,000            | -\$500,000            | one-time revenue source        |
| Less: Reserve for Bonded Debt           | -\$600,000           | -\$700,000           | -\$700,000            | -\$700,000            | -\$700,000            | one-time revenue source        |
| Transfer to Capital Projects Fund       | \$1,319,000          | \$2,995,000          | \$2,995,000           | \$2,995,000           | \$2,995,000           | constant                       |
| 1% Added Pursuant to Law                | \$254,949            | \$258,105            | \$260,686             | \$260,686             | \$260,686             | constant                       |
| <b>Total Special Objects</b>            | <b>\$81,316,207</b>  | <b>\$95,524,080</b>  | <b>\$94,961,170</b>   | <b>\$101,314,625</b>  | <b>\$109,156,764</b>  |                                |
| <b>TOTAL NET APPROPRIATIONS</b>         | <b>\$192,639,323</b> | <b>\$212,383,732</b> | <b>\$225,431,177</b>  | <b>\$236,376,796</b>  | <b>\$248,986,756</b>  |                                |
| Change in Appropriation                 |                      |                      | \$13,047,445          | \$10,945,619          | \$12,609,960          |                                |
| Percentage Change in Appropriation      |                      |                      | 6.14%                 | 4.86%                 | 5.33%                 |                                |

**City of Syracuse**

**GENERAL CITY-SUMMARY OF APPROPRIATIONS**

| <u>General Fund</u>             | <u>2006/07<br/>Projected</u> | <u>2007-08<br/>Adopted</u> | <u>2008-09<br/>Budget Yr.</u> | <u>2009-10<br/>Budget Yr.</u> | <u>2010-11<br/>Budget Yr.</u> |
|---------------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Personal Services               | \$83,306,836                 | \$86,506,273               | \$98,563,812                  | \$101,520,726                 | \$104,566,348                 |
| Employee Benefits               | \$54,932,070                 | \$67,109,652               | \$66,410,676                  | \$71,013,502                  | \$76,024,974                  |
| Equip./Contractual Expenses     | \$28,016,280                 | \$30,353,379               | \$31,906,195                  | \$33,541,445                  | \$35,263,645                  |
| Other Special Objects           | \$5,757,895                  | \$6,811,710                | \$6,330,210                   | \$6,373,998                   | \$6,419,536                   |
| Cash Capital                    | \$1,319,000                  | \$2,995,000                | \$2,995,000                   | \$2,995,000                   | \$2,995,000                   |
| Lease payments/RAN interest     | \$1,479,722                  | \$1,422,455                | \$1,420,000                   | \$1,420,000                   | \$1,420,000                   |
| Interfund Transfer-Debt Service | \$17,827,520                 | \$17,185,263               | \$17,805,283                  | \$19,512,125                  | \$22,297,253                  |
| Interfund Transfers-SCSD        | \$0                          | \$0                        | \$0                           | \$0                           | \$0                           |
| Total Expenditures by Object    | \$192,639,323                | \$212,383,732              | \$225,431,177                 | \$236,376,796                 | \$248,986,756                 |

**City of Syracuse**

**GENERAL CITY-SUMMARY OF APPROPRIATIONS**

| <u>General Fund</u>             | <u>2006/07<br/>Projected</u> | <u>2007-08<br/>Adopted</u> | <u>2008-09<br/>Budget Yr.</u> | <u>2009-10<br/>Budget Yr.</u> | <u>2010-11<br/>Budget Yr.</u> |
|---------------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| General Government Support      | \$14,851,711                 | \$16,099,019               | \$17,107,895                  | \$17,684,157                  | \$18,280,227                  |
| Public Safety                   | \$64,285,207                 | \$66,768,749               | \$77,647,687                  | \$80,028,475                  | \$82,482,740                  |
| Public Works                    | \$25,425,432                 | \$26,806,169               | \$28,196,166                  | \$29,580,554                  | \$31,038,784                  |
| Parks & Recreation              | \$6,760,766                  | \$7,185,715                | \$7,518,258                   | \$7,768,985                   | \$8,028,241                   |
| Employee Benefits               | \$54,932,070                 | \$67,109,652               | \$66,410,676                  | \$71,013,502                  | \$76,024,974                  |
| Capital, Lease and RAN interest | \$2,798,722                  | \$4,417,455                | \$4,415,000                   | \$4,415,000                   | \$4,415,000                   |
| Interfund Transfer-Debt Service | \$17,827,520                 | \$17,185,263               | \$17,805,283                  | \$19,512,125                  | \$22,297,253                  |
| Interfund Transfers-SCSD        | \$0                          | \$0                        | \$0                           | \$0                           | \$0                           |
| Other Special Objects           | \$5,757,895                  | \$6,811,710                | \$6,330,210                   | \$6,373,998                   | \$6,419,536                   |
| Total Expenditures by Function  | \$192,639,323                | \$212,383,732              | \$225,431,177                 | \$236,376,796                 | \$248,986,756                 |



**City of Syracuse**

**SPECIAL FUNDS-SUMMARY OF APPROPRIATIONS**

| <b>WATER FUND</b>                 | <b>2006/07<br/>Projected</b> | <b>2007-08<br/>Adopted</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b>             |
|-----------------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Personal Services                 | \$4,508,544                  | \$4,663,772                | \$4,937,990                   | \$5,086,130                   | \$5,238,714                   | 3% compounded annually         |
| Other                             | \$4,478,345                  | \$4,892,490                | \$5,088,190                   | \$5,291,717                   | \$5,503,386                   | 4% compounded annually         |
| <b>Subtotal</b>                   | <b>\$8,986,889</b>           | <b>\$9,556,262</b>         | <b>\$10,026,180</b>           | <b>\$10,377,847</b>           | <b>\$10,742,099</b>           |                                |
| <b>Special Objects of Expense</b> |                              |                            |                               |                               |                               |                                |
| Fiscal Services                   | \$15,000                     | \$15,000                   | \$15,000                      | \$15,000                      | \$15,000                      | constant                       |
| Judgements & Claims               | \$195,000                    | \$10,000                   | \$15,000                      | \$15,000                      | \$15,000                      | adjusted, constant             |
| City Share of Local Assessment    | \$450,000                    | \$400,000                  | \$530,000                     | \$530,000                     | \$530,000                     | constant                       |
| Onondaga County Water District    | \$50,000                     | \$50,000                   | \$75,000                      | \$75,000                      | \$75,000                      | constant                       |
| Bad Debt Expense                  | \$230,000                    | \$230,000                  | \$300,000                     | \$300,000                     | \$300,000                     | adjusted, constant             |
| Allowance for Negotiations        | \$62,150                     | \$68,243                   | \$0                           | \$0                           | \$0                           | distributed                    |
| Employee Retirement System        | \$469,218                    | \$530,000                  | \$545,900                     | \$562,277                     | \$579,145                     | 2007-08 est. adjusted-3%       |
| Social Security                   | \$374,695                    | \$396,614                  | \$377,756                     | \$389,089                     | \$400,762                     | adjusted by wage rate          |
| Workers' Compensation             | \$369,350                    | \$396,000                  | \$407,880                     | \$420,116                     | \$432,720                     | adjusted by wage rate          |
| Unemployment Insurance            | \$10,000                     | \$10,000                   | \$10,000                      | \$10,000                      | \$10,000                      | constant                       |
| Hospital, Medical Insurance       | \$999,163                    | \$1,046,500                | \$1,151,150                   | \$1,266,265                   | \$1,392,892                   | increases-10% annually         |
| Capital Appropriations            | \$1,013,000                  | \$1,139,500                | \$1,609,000                   | \$1,458,500                   | \$1,500,000                   | included in the 2007-08 CIP    |
| Transfer for Debt Service         | \$2,223,171                  | \$2,683,988                | \$3,411,143                   | \$5,056,328                   | \$7,353,047                   | projects authorized and in CIP |
| Transfer to General Fund          | \$1,400,000                  | \$800,000                  | \$800,000                     | \$800,000                     | \$800,000                     | constant                       |
| <b>Subtotal</b>                   | <b>\$7,860,747</b>           | <b>\$7,775,845</b>         | <b>\$9,247,829</b>            | <b>\$10,897,576</b>           | <b>\$13,403,565</b>           |                                |
| <b>TOTAL</b>                      | <b>\$16,847,636</b>          | <b>\$17,332,107</b>        | <b>\$19,274,009</b>           | <b>\$21,275,422</b>           | <b>\$24,145,664</b>           |                                |

**City of Syracuse**  
**SPECIAL FUNDS-SUMMARY OF APPROPRIATIONS**

| <b>SEWER FUND</b>                        | <b>2006/07<br/>Adopted</b> | <b>2007-08<br/>Budget Yr.</b> | <b>2008-09<br/>Budget Yr.</b> | <b>2009-10<br/>Budget Yr.</b> | <b>2010-11<br/>Budget Yr.</b> | <b>Assumptions</b>             |
|--|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Personal Services                        | \$1,484,122                | \$1,444,665                   | \$1,519,365                   | \$1,564,946                   | \$1,611,895                   | 3% compounded annually         |
| Other                                    | \$860,650                  | \$953,375                     | \$991,510                     | \$1,031,170                   | \$1,072,417                   | 4% compounded annually         |
| Subtotal                                 | \$2,344,772                | \$2,398,040                   | \$2,510,875                   | \$2,596,117                   | \$2,684,312                   |                                |
| Special Objects of Expense               |                            |                               |                               |                               |                               |                                |
| Bad Debt Expense                         | \$125,000                  | \$125,000                     | \$125,000                     | \$125,000                     | \$125,000                     | constant                       |
| Allowance for Negotiations               | \$21,947                   | \$8,500                       | \$0                           | \$0                           | \$0                           | distributed                    |
| Employee Retirement System               | \$174,187                  | \$170,000                     | \$175,100                     | \$180,353                     | \$185,764                     | 2007-08 est. adjusted-3%       |
| Social Security                          | \$132,593                  | \$140,458                     | \$116,231                     | \$119,718                     | \$123,310                     | adjusted by wage rate          |
| Worker's Compensation                    | \$143,500                  | \$154,000                     | \$158,620                     | \$163,379                     | \$168,280                     | adjusted by wage rate          |
| Hospital, Medical & Surgical Insurance   | \$454,088                  | \$484,858                     | \$557,587                     | \$641,225                     | \$737,408                     | increases-15% annually         |
| Compensated Absences                     | \$10,000                   | \$10,000                      | \$10,000                      | \$10,000                      | \$10,000                      |                                |
| Transfer to General Fund - City Services | \$0                        | \$0                           | \$0                           | \$0                           | \$0                           | constant                       |
| Capital Appropriation                    | \$375,000                  | \$375,000                     | \$375,000                     | \$375,000                     | \$375,000                     | included in the 2007-08 CIP    |
| Transfer for Debt Service                | \$818,734                  | \$879,066                     | \$796,850                     | \$871,641                     | \$901,276                     | projects authorized and in CIP |
| Subtotal                                 | \$2,255,049                | \$2,346,882                   | \$2,314,388                   | \$2,486,316                   | \$2,626,038                   |                                |
| <b>TOTAL</b>                             | <b>\$4,599,821</b>         | <b>\$4,744,922</b>            | <b>\$4,825,264</b>            | <b>\$5,082,433</b>            | <b>\$5,310,350</b>            |                                |

**Summary of Fund Balance all Funds:**

**City of Syracuse  
Four Year Financial Plan, Fiscal Years  
Surplus (Deficit) and Reserves**

**2008-2011**

|   | Actual              |                     |                     |                     | Estimated           | Projected           |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                |
| <b>General Fund</b>                       |                     |                     |                     |                     |                     |                     |
| <b>Budgetary Reserves*</b>                |                     |                     |                     |                     |                     |                     |
| Fund Equity, Beg. of Year                 | \$25,106,460        | \$23,636,539        | \$17,128,636        | \$30,851,341        | \$31,861,632        | \$38,826,796        |
| Fund Equity, End of Year                  | \$24,636,539        | \$17,128,636        | \$30,851,341        | \$31,861,632        | \$38,826,796        | \$33,077,889        |
| Reserved Fund Balance - Capital Reserves* | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserved Fund Balance - Encumbrances*     | \$109,662           | \$48,690            | \$33,124            | \$90,362            | \$0                 | \$0                 |
| Other                                     | \$250,624           | \$234,438           | \$309,323           | \$363,058           | \$0                 | \$0                 |
| <b>Unreserved Fund Balance*</b>           | <b>\$24,276,253</b> | <b>\$16,845,508</b> | <b>\$30,508,894</b> | <b>\$31,408,212</b> | <b>\$38,826,796</b> | <b>\$33,077,889</b> |

|  | Actual             |                    |                  |                 | Estimated       | Projected       |
|--|--------------------|--------------------|------------------|-----------------|-----------------|-----------------|
|  | 2003               | 2004               | 2005             | 2006            | 2007            | 2008            |
| <b>Water Fund</b>                        |                    |                    |                  |                 |                 |                 |
| <b>Budgetary Reserves</b>                |                    |                    |                  |                 |                 |                 |
| Fund Equity, Beg. of Year                | \$1,394,672        | \$6,400,655        | \$4,544,344      | \$1,157,616     | \$1,054,232     | \$990,521       |
| Fund Equity, End of Year                 | \$6,400,655        | \$4,544,344        | \$1,157,616      | \$1,054,232     | \$990,521       | \$990,521       |
| Reserved Fund Balance - Capital Reserves | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             |
| Reserved Fund Balance - Water Purchase   | \$1,000,000        | \$1,000,000        | \$1,000,000      | \$1,000,000     | \$1,000,000     | \$1,000,000     |
| <b>Unreserved Fund Balance</b>           | <b>\$5,400,655</b> | <b>\$3,544,344</b> | <b>\$157,616</b> | <b>\$54,232</b> | <b>-\$9,479</b> | <b>-\$9,479</b> |

|  | Actual             |                  |                  |                    | Estimated          | Projected          |
|--|--------------------|------------------|------------------|--------------------|--------------------|--------------------|
|  | 2003               | 2004             | 2005             | 2006               | 2007               | 2008               |
| <b>Sewer Fund</b>                              |                    |                  |                  |                    |                    |                    |
| <b>Budgetary Reserves</b>                      |                    |                  |                  |                    |                    |                    |
| Fund Equity, Beg. of Year                      | \$1,226,609        | \$1,868,489      | \$685,177        | \$439,730          | \$2,575,011        | \$2,556,719        |
| Fund Equity, End of Year                       | \$1,868,489        | \$685,177        | \$439,730        | \$2,575,011        | \$2,556,719        | \$2,556,719        |
| Reserved Fund Balance - Capital Reserves       | \$0                | \$0              | \$0              | \$0                | \$0                | \$0                |
| Reserved Fund Balance - Other (please specify) | \$0                | \$0              | \$0              | \$0                | \$0                | \$0                |
| <b>Unreserved Fund Balance</b>                 | <b>\$1,868,489</b> | <b>\$685,177</b> | <b>\$439,730</b> | <b>\$2,575,011</b> | <b>\$2,556,719</b> | <b>\$2,556,719</b> |

\* Required by AIM legislation.

## Real Property Tax Worksheet:

**City of Syracuse  
Four Year Financial Plan, Fiscal Years 2008-2011  
Property Tax Worksheet**

|  | Actual        |               |               |               |               |               | Projected     |               |               | Avg Ann Increase<br>2003-<br>present | Assumptions |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------------------------|-------------|
|  | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          |                                      |             |
| <b>Levy and Assessed Value / Rate</b>                              |               |               |               |               |               |               |               |               |               |                                      |             |
| Levy*  | 76,584,601    | 76,508,851    | 83,777,193    | 83,777,193    | 88,485,846    | 89,502,506    | 89,502,506    | 89,502,506    | 89,502,506    | 3.68%                                | constant    |
| Assessed Value of Taxable Property*                                | 3,522,231,450 | 3,511,948,420 | 3,495,839,199 | 3,496,168,547 | 3,543,811,180 | 3,583,230,417 | 3,583,230,417 | 3,583,230,417 | 3,583,230,417 | 0.15%                                | constant    |
| Tax Rate per \$1,000 of Assessed Value*                            | 21.9069       | 21.9434       | 24.1285       | 24.1181       | 25.1202       | 25.1202       | 25.1202       | 25.1202       | 25.1202       | 3.48%                                | constant    |
| <b>Full Value and FV Rate</b>                                      |               |               |               |               |               |               |               |               |               |                                      |             |
| Equalization Rate (Special Eq. Rate)                               | 100.81%       | 99.93%        | 95.34%        | 91.99%        | 92.26%        | 91.44%        |               |               |               | -2.19%                               |             |
| Full Market Value of Taxable Property*                             | 3,493,930,612 | 3,514,408,505 | 3,666,707,781 | 3,800,596,311 | 3,841,113,353 | 3,918,668,435 |               |               |               | 2.40%                                |             |
| Tax Rate per \$1000 of Full Value*                                 | 21.9193       | 21.7701       | 22.8481       | 22.0432       | 23.0365       | 22.8400       |               |               |               | 0.0125                               |             |
| <b>Tax Limit</b>   |               |               |               |               |               |               |               |               |               |                                      |             |
| Property Tax Limit   | 71,532,132    | 70,510,283    | 69,280,996    | 69,414,662    | 72,674,221    | 74,965,978    |               |               |               | 0.40%                                |             |
| Exclusions to Tax Limit  | 30,587,572    | 30,079,775    | 31,641,061    | 32,821,705    | 33,826,876    | 35,188,668    |               |               |               | 2.55%                                |             |
| Tax Levy Subject to Limit  | 76,584,601    | 76,508,851    | 83,777,193    | 83,777,193    | 88,485,846    | 89,502,506    |               |               |               | 3.68%                                |             |
| Constitutional Tax Margin  | 25,535,103    | 24,081,207    | 17,144,864    | 18,459,174    | 18,015,251    | 20,652,137    |               |               |               |                                      |             |
| <b>Factors Affecting Changes to Full Value of Taxable Property</b> |               |               |               |               |               |               |               |               |               |                                      |             |
| Portion due to development   | NA            | NA            | NA            | NA            | NA            | NA            |               |               |               |                                      |             |
| Portion due to changes in market value                             | NA            | NA            | NA            | NA            | NA            | NA            |               |               |               |                                      |             |

## **Summary of Labor Agreements:**

**City of Syracuse**  
**Summary of Labor Agreements**

| <b>Contract</b>                        | <b>Contract Period</b> | <b>Terms</b>             |        |
|--|------------------------|--------------------------|--------|
| Local 280 ( Fire)                      | Expired 12/31/05       | In Negotiations (Arbitra |        |
| Local 280 (Deputy Fire Chiefs)         | Expired 12/31/05       | In Negotiations (Arbitra |        |
| AFSCME Local 3952 (Middle Management)  | 01/01/06-12/31/08      | 2.00%                    | 1/7/07 |
|  |                        | 2.50%                    | 1/7/07 |
|  |                        | 2.75%                    | 7/1/08 |
| AFSCME Local 1773 (Crew Leaders)       | 01/01/06-12/31/08      | 2.00%                    | 1/1/06 |
|  |                        | 2.50%                    | 1/7/07 |
|  |                        | 2.75%                    | 7/8/07 |
| AFSCME Local 400 (Blue Collar Workers) | 01/01/06-12/31/08      | 2.00%                    | 1/1/06 |
|  |                        | 2.50%                    | 1/1/07 |
|  |                        | 2.75%                    | 7/1/08 |
| Building Trades                        | 01/01/06-12/31/08      | 2.00%                    | 1/6/07 |
|  |                        | 2.50%                    | 1/1/07 |
|  |                        | 2.75%                    | 7/1/08 |
| CSEA                                   | Expired 12/31/06       | In Negotiations          |        |
| PBA                                    | 01/01/06-12/31/07      | 3.00%                    | 1/6/07 |
|  |                        | 3.00%                    | 1/7/07 |
| Crossing Guards                        | 07/01/07-06/30/09      | 2.50%                    | 7/1/07 |
|  |                        | 2.50%                    | 7/1/08 |



**Eight Years of Actual Revenues all Funds:**

**City of Syracuse**  
**Actual Revenue Summary**

|   | 1998-99<br>Actual | 1999-2000<br>Actual | 2000-01<br>Actual | 2001-02<br>Actual | 2002-03<br>Actual | 2003-04<br>Actual | 2004-05<br>Actual | 2005-06<br>Actual |
|---|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>GENERAL FUND</b>                         |                   |                     |                   |                   |                   |                   |                   |                   |
| <b><u>SURPLUSES AND BALANCES</u></b>        |                   |                     |                   |                   |                   |                   |                   |                   |
| Unreserved, Undesignated                    | \$0               | \$0                 | \$0               | \$0               | \$0               | \$6,507,903       | \$0               | \$0               |
| Total, Surpluses and Balances               | \$0               | \$0                 | \$0               | \$0               | \$0               | \$6,507,903       | \$0               | \$0               |
| <b><u>REAL PROPERTY TAX ITEMS</u></b>       |                   |                     |                   |                   |                   |                   |                   |                   |
| PILOT-S.I.D.A.                              | \$5,610,483       | \$5,995,783         | \$4,314,000       | \$4,604,804       | \$7,962,442       | \$4,664,328       | \$4,444,210       | \$3,996,530       |
| PILOT-Non-Profit Housing                    | \$751,622         | \$683,561           | \$793,598         | \$1,515,398       | \$669,537         | \$858,131         | \$877,768         | \$1,112,646       |
| PILOT-Solvay Paperboard                     | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$0               | \$604             |
| PILOT-OnTrack                               | \$3,462           | \$6,497             | \$7,946           | \$5,186           | \$4,458           | \$4,247           | \$4,891           | \$0               |
| PILOT-Syracuse University Dome              | \$100,000         | \$100,000           | \$100,000         | \$100,000         | \$100,000         | \$100,000         | \$100,000         | \$100,000         |
| PILOT-Carousel Center                       | \$0               | \$0                 | \$0               | \$0               | \$3,100,000       | \$6,691,167       | \$7,075,766       | \$3,540,716       |
| PILOT-Co-Generation Income                  | \$626,612         | \$624,543           | \$605,144         | \$618,650         | \$644,698         | \$653,058         | \$699,910         | \$699,905         |
| PILOT-Hotel Syracuse (LINK)                 | \$144,808         | \$451,124           | \$0               | \$84,369          | \$70,422          | \$20,183          | \$0               | \$0               |
| Special Lighting Tax                        | \$119,404         | \$119,334           | \$118,983         | \$133,050         | \$132,704         | \$146,700         | \$185,521         | \$183,571         |
| Assessable Improvements                     | \$289,937         | \$398,666           | \$472,284         | \$590,496         | \$364,768         | \$628,228         | \$783,690         | \$680,112         |
| Assessable Improvements Buyout              | (\$586,466)       | (\$487,780)         | (\$487,780)       | (\$846,022)       | (\$135,922)       | (\$187,464)       | (\$195,517)       | (\$223,302)       |
| Tax Fees and Penalties                      | \$1,311,739       | \$1,404,138         | \$1,419,609       | \$1,377,250       | \$958,862         | \$792,912         | \$841,290         | \$978,376         |
| Prior Years' Tax Collection                 | \$4,861,412       | \$4,412,679         | \$4,826,453       | \$4,593,565       | \$2,841,830       | \$2,243,113       | \$2,374,148       | \$2,974,847       |
| Tax Lien Sale                               | \$0               | \$0                 | \$0               | \$0               | \$0               | \$2,902,784       | (\$8,595)         | \$1,601,600       |
| Sale of Tax Property/Auction                | \$2,405           | \$573,901           | \$309,203         | \$330,683         | \$299,553         | \$0               | \$0               | \$0               |
| Less: Uncollected City Taxes-Current Year   | (\$1,185,403)     | (\$1,100,000)       | (\$985,920)       | (\$890,960)       | \$0               | (\$1,182,582)     | (\$1,296,139)     | (\$1,024,157)     |
| Less: Uncollected School Taxes-Current Year | (\$2,526,005)     | (\$2,696,089)       | (\$2,340,860)     | (\$2,374,154)     | (\$2,419,732)     | (\$2,675,417)     | (\$2,512,084)     | (\$2,574,989)     |
| Total, Real Property Tax Items              | \$9,524,010       | \$10,486,357        | \$9,152,660       | \$9,842,315       | \$14,593,620      | \$15,659,388      | \$13,374,859      | \$12,046,459      |
| <b><u>NON-PROPERTY TAXES</u></b>            |                   |                     |                   |                   |                   |                   |                   |                   |
| Sales Tax                                   | \$43,797,121      | \$46,904,980        | \$48,142,830      | \$47,998,380      | \$48,847,492      | \$49,337,952      | \$62,674,202      | \$59,757,389      |
| Sales Tax - Infrastructure Reimbursement    | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$1,475,000       | \$2,950,000       |
| Sales Tax - Medicaid takeover               | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$0               | \$2,852,217       |
| Utilities Gross Receipts Tax                | \$2,092,821       | \$2,177,739         | \$2,200,000       | \$2,081,079       | \$2,203,336       | \$2,328,466       | \$2,224,408       | \$2,411,268       |
| CATV Franchise Tax                          | \$1,027,591       | \$1,148,809         | \$1,200,000       | \$1,304,597       | \$1,240,303       | \$1,245,567       | \$1,302,415       | \$1,354,227       |
| Dome Stadium Reimbursement                  | \$193,047         | \$152,442           | \$219,069         | \$256,355         | \$268,464         | \$237,381         | \$179,099         | \$255,943         |
| S.U./City Service Agreement                 | \$283,500         | \$289,000           | \$299,750         | \$309,500         | \$312,750         | \$318,500         | \$329,750         | \$338,000         |
| Total, Non-Property Taxes                   | \$47,394,080      | \$50,672,970        | \$52,061,649      | \$51,949,911      | \$52,872,345      | \$53,467,866      | \$68,184,874      | \$69,919,044      |

|  | 1998-99     | 1999-2000   | 2000-01     | 2001-02     | 2002-03     | 2003-04     | 2004-05     | 2005-06     |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      |
| <b>DEPARTMENTAL INCOME</b>                   |             |             |             |             |             |             |             |             |
| <u>Judiciary-Criminal Division</u>           | \$62,564    | \$58,843    | \$52,000    | \$64,114    | \$84,129    | \$96,230    | \$69,898    | \$107,435   |
| <b>Finance</b>                               |             |             |             |             |             |             |             |             |
| Abstract Fees                                | \$75,242    | \$68,335    | \$67,220    | \$71,978    | \$79,701    | \$79,146    | \$73,116    | \$75,083    |
| Duplicate Tax Bill Fee                       | \$14,430    | \$14,657    | \$14,760    | \$19,079    | \$16,284    | \$15,319    | \$13,052    | \$13,431    |
| County Tax Collection Fee                    | \$702,959   | \$691,608   | \$654,853   | \$633,118   | \$620,127   | \$644,727   | \$657,610   | \$647,661   |
| Onondaga County Public Library Reimbursement | \$91,486    | \$87,098    | \$88,343    | \$0         | \$85,086    | \$0         | \$0         | \$0         |
| Onondaga County E911 Reimbursement           | \$30,098    | \$167,060   | \$256,407   | \$128,756   | \$124,782   | \$167,545   | \$161,586   | \$154,576   |
| Restitution Surcharge                        | \$209,708   | \$213,785   | \$180,141   | \$159,241   | \$271,153   | \$294,068   | \$500,423   | \$491,741   |
| Handicap Parking Surcharge                   | \$0         | \$0         | \$7,275     | \$6,070     | \$9,028     | \$7,890     | \$12,728    | \$10,063    |
| Licenses                                     | \$100,939   | \$110,335   | \$95,865    | \$80,653    | \$92,383    | \$95,993    | \$96,400    | \$91,258    |
| Bingo Licenses                               | \$13,929    | \$14,167    | \$11,450    | \$11,345    | \$11,100    | \$9,830     | \$8,246     | \$4,388     |
| Bingo Receipts/Games of Chance Receipts      | \$58,105    | \$58,928    | \$61,376    | \$57,855    | \$43,975    | \$44,483    | \$18,414    | \$10,267    |
| Games of Chance Receipts                     | \$2,572     | \$1,446     | \$570       | \$997       | \$1,575     | \$1,321     | \$1,263     | \$1,949     |
| Games of Chance Licenses                     | \$653       | \$501       | \$500       | \$330       | \$410       | \$400       | \$360       | \$350       |
| Certificate of Use                           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$9,100     | \$9,200     |
| Fines and Penalties Viol/Traffic             | \$154,485   | \$178,862   | \$213,192   | \$226,611   | \$266,209   | \$348,433   | \$330,162   | \$428,685   |
| Parking Ticket Receipts                      | \$1,736,132 | \$1,787,251 | \$1,569,255 | \$1,428,687 | \$2,254,545 | \$1,398,351 | \$1,590,332 | \$1,461,255 |
| Vehicle Booting Receipts                     | \$2,000     | \$8,000     | \$38,373    | \$9,305     | \$0         | \$0         | \$0         | \$0         |
| Miscellaneous Receipts                       | \$74,723    | \$219,938   | \$195,784   | \$17,913    | \$19,941    | \$38,774    | \$19,842    | \$9,073     |
| Subtotal                                     | \$3,267,461 | \$3,621,971 | \$3,455,364 | \$2,851,938 | \$3,896,299 | \$3,146,280 | \$3,492,634 | \$3,408,980 |
| <u>City Clerk-Licenses</u>                   |             |             |             |             |             |             |             |             |
| Licenses                                     | \$45,821    | \$45,700    | \$47,855    | \$46,386    | \$42,004    | \$48,873    | \$55,025    | \$40,140    |
| <b>Code Enforcement</b>                      |             |             |             |             |             |             |             |             |
| Building Permits                             | \$1,035,491 | \$1,453,257 | \$1,144,852 | \$1,039,097 | \$1,022,449 | \$1,108,375 | \$1,241,239 | \$1,989,409 |
| Certificates of Compliance                   | \$198,866   | \$159,166   | \$171,051   | \$179,958   | \$198,610   | \$196,229   | \$226,614   | \$143,467   |
| Board of Zoning Appeals                      | \$2,850     | \$1,000     | \$750       | \$850       | \$950       | \$550       | \$400       | \$200       |
| Licenses                                     | \$121,765   | \$121,680   | \$121,760   | \$118,000   | \$121,480   | \$121,550   | \$118,380   | \$134,040   |
| Building Inspection Charges                  | \$75        | \$130       | \$45        | \$0         | \$0         | \$0         | \$0         | \$695       |
| Board-up/Clean-up Charges                    | \$0         | \$0         | \$3,706     | \$0         | \$0         | \$26,765    | \$25,110    | \$22,119    |
| Demolition Charges-Unsafe Buildings          | \$22,302    | \$12,500    | \$8,521     | \$2,792     | \$0         | \$0         | \$0         | \$0         |
| Reimbursement from Other Governments         | \$0         | \$0         | \$0         | \$39,144    | \$26,827    | \$18,025    | \$8,855     | \$0         |
| Parking Garage Registration                  | \$2,150     | \$1,800     | \$3,150     | \$1,650     | \$3,450     | \$900       | \$2,400     | \$3,750     |
| Subtotal                                     | \$1,383,499 | \$1,749,533 | \$1,453,835 | \$1,381,491 | \$1,373,766 | \$1,472,394 | \$1,622,998 | \$2,293,680 |

|  | 1998-99<br>Actual | 1999-2000<br>Actual | 2000-01<br>Actual | 2001-02<br>Actual | 2002-03<br>Actual | 2003-04<br>Actual | 2004-05<br>Actual | 2005-06<br>Actual |
|--|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Parks and Recreation</u>                        | \$277,688         | \$337,692           | \$276,428         | \$435,982         | \$363,477         | \$424,954         | \$407,813         | \$417,196         |
| <u>Fire</u>  | \$38,129          | \$65,929            | \$87,982          | \$147,428         | \$60,096          | \$58,382          | \$73,160          | \$69,231          |
| <u>Police</u>                                      | \$619,353         | \$555,244           | \$684,599         | \$764,503         | \$541,271         | \$473,299         | \$630,352         | \$859,208         |
| <u>Planning Commission</u>                         | \$1,640           | \$1,910             | \$1,390           | \$1,355           | \$1,590           | \$1,360           | \$1,730           | \$1,140           |
| <u>Community Services</u>                          | \$3,482           | \$4,382             | \$5,646           | \$1,118           | \$0               | \$0               | \$0               | \$0               |
| <u>Law</u>   | \$155,688         | \$184,009           | \$152,435         | \$128,820         | \$151,778         | \$153,422         | \$184,405         | \$164,508         |
| <u>Public Works</u>                                |                   |                     |                   |                   |                   |                   |                   |                   |
| Charges for Services                               | \$2,900           | \$130,383           | \$31,213          | \$27,407          | \$9,585           | \$8,831           | \$326,692         | \$15,392          |
| Paving Cuts  | \$89,959          | \$16,244            | \$67,277          | \$211,283         | \$109,315         | \$28,237          | \$145,649         | \$45,253          |
| DPW Charges-Outside Agencies (Syr. Housing Auth.)  | \$25,408          | \$44,705            | \$37,641          | \$30,987          | \$52,962          | \$89,439          | \$44,575          | \$53,714          |
| Parking Meter Receipts                             | \$1,335,423       | \$1,304,261         | \$1,151,301       | \$1,043,981       | \$954,671         | \$981,434         | \$1,237,847       | \$1,418,302       |
| Parking Lots                                       | \$166,666         | \$162,969           | \$172,095         | \$168,300         | \$158,705         | \$155,885         | \$155,450         | \$140,885         |
| City Garage  | \$589,178         | \$582,989           | \$511,004         | \$510,817         | \$469,860         | \$564,990         | \$756,103         | \$616,836         |
| Onondaga Tower Garage                              | \$297,589         | \$307,074           | \$351,049         | \$365,602         | \$383,593         | \$396,688         | \$427,228         | \$452,772         |
| Hotel Parking Garage                               | \$655,402         | \$582,035           | \$406,300         | \$357,363         | \$194,505         | \$5,046           | \$0               | \$0               |
| Off-Street Parking Facility: St. Joseph's Hospital | \$182,909         | \$171,360           | \$150,282         | \$155,478         | \$122,707         | \$149,847         | \$8,010           | \$0               |
| Fayette Parking Garage                             | \$464,058         | \$462,979           | \$478,223         | \$516,159         | \$550,902         | \$418,399         | \$417,480         | \$556,340         |
| Madison- Irving Parking Garage                     | \$354,281         | \$376,079           | \$373,546         | \$369,484         | \$374,359         | \$411,596         | \$532,200         | \$522,923         |
| Harrison Street Garage                             | \$762,332         | \$706,215           | \$699,815         | \$545,761         | \$600,754         | \$611,199         | \$656,772         | \$798,893         |
| Washington Street Parking Garage                   | \$579,028         | \$586,201           | \$581,596         | \$505,327         | \$575,720         | \$607,791         | \$545,641         | \$569,645         |
| Armory Square Garage                               | \$119,444         | \$137,721           | \$106,301         | \$99,587          | \$83,998          | \$96,000          | \$102,417         | \$113,903         |
| OnCenter Parking Garage                            | \$0               | \$0                 | \$67,673          | \$45,628          | \$0               | \$0               | \$0               | \$0               |
| MONY Parking Garage                                | \$0               | \$0                 | \$119,422         | \$541,044         | \$479,941         | \$602,740         | \$655,350         | \$675,041         |
| Autopark Revenues                                  | \$12,437          | \$12,971            | \$10,425          | \$10,731          | \$14,084          | \$13,795          | \$13,764          | \$16,141          |
| DPW Loading Zone Permits                           | \$660             | \$960               | \$1,110           | \$945             | \$1,410           | \$1,740           | \$1,918           | \$2,565           |
| Recycling Revenues                                 | \$15,092          | \$11,435            | \$11,645          | \$12,106          | \$10,182          | \$11,641          | \$19,042          | \$19,851          |
| Refuse & Garbage Charges                           | \$129,610         | \$148,945           | \$123,950         | \$126,483         | \$122,795         | \$120,911         | \$122,119         | \$120,080         |
| Charges for Services-Other Governments             | \$59,056          | \$154,062           | \$133,364         | \$96,126          | \$88,302          | \$129,007         | \$169,011         | \$210,654         |
| Subtotal   | \$5,841,432       | \$5,899,588         | \$5,585,232       | \$5,740,599       | \$5,358,350       | \$5,405,216       | \$6,337,268       | \$6,349,190       |

|  | 1998-99<br>Actual | 1999-2000<br>Actual | 2000-01<br>Actual | 2001-02<br>Actual | 2002-03<br>Actual | 2003-04<br>Actual | 2004-05<br>Actual | 2005-06<br>Actual |
|--|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Assessment</b>                                | \$5,690           | \$125,939           | \$194,415         | \$94,885          | \$15,030          | \$13,600          | \$13,350          | \$13,200          |
| <b>Total, Departmental Income</b>                | \$11,702,447      | \$12,650,740        | \$11,997,181      | \$11,658,619      | \$11,887,790      | \$11,294,010      | \$12,888,633      | \$13,723,908      |
| <b>USE OF MONEY AND PROPERTY</b>                 |                   |                     |                   |                   |                   |                   |                   |                   |
| Interest on Deposits                             | \$1,925,030       | \$1,731,716         | \$1,776,703       | \$599,852         | \$332,946         | \$23,557          | \$566,284         | \$1,314,501       |
| Rentals of Real Property                         | \$34,324          | \$38,330            | \$30,563          | \$23,443          | \$25,234          | \$35,334          | \$58,149          | \$33,177          |
| Premium on RAN's                                 | \$126             | \$88,835            | \$38,009          | \$136,080         | \$55,928          | \$7,629           | \$0               | \$209,136         |
| Premium on Securities Issued                     | \$254,781         | \$0                 | \$0               | \$0               | \$0               | \$464             | \$0               | \$5,793           |
| Serial Bond Proceeds                             | \$1,680,000       | \$1,000,000         | \$0               | \$0               | \$0               | \$1,012,147       | \$7,144,752       | \$3,717,156       |
| <b>Total, Use of Money and Property</b>          | \$3,894,261       | \$2,858,881         | \$1,845,275       | \$759,375         | \$414,108         | \$1,079,131       | \$7,769,185       | \$5,279,763       |
| <b>SALE OF PROPERTY</b>                          |                   |                     |                   |                   |                   |                   |                   |                   |
| Sale of Scrap Equipment                          | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$0               | \$875             |
| Sale of Real Property                            | \$50,478          | \$96,040            | \$99,306          | \$234,945         | \$328,288         | \$42,650          | \$752,312         | \$1,075,670       |
| Gain on Disposal of Assets                       | \$168,369         | \$85,560            | \$127,327         | \$112,999         | \$129,072         | \$25,238          | \$57,261          | \$39,337          |
| <b>Total, Sale of Property</b>                   | \$218,847         | \$181,600           | \$226,633         | \$347,944         | \$457,360         | \$67,888          | \$809,573         | \$1,115,882       |
| <b>STATE AID</b>                                 |                   |                     |                   |                   |                   |                   |                   |                   |
| Miscellaneous State Aid                          | \$0               | \$0                 | \$0               | \$4,247           | \$0               | \$9,424           | \$0               | \$0               |
| Emergency Financial Aid to Certain Cities        | \$2,430,533       | \$2,430,533         | \$2,430,533       | \$2,430,533       | \$2,430,533       | \$2,430,533       | \$2,430,533       | \$0               |
| Mortgage Tax                                     | \$1,003,242       | \$1,023,769         | \$884,047         | \$1,147,265       | \$1,442,216       | \$1,651,814       | \$1,634,608       | \$1,842,149       |
| State Highway Aid                                | \$2,263,384       | \$1,632,514         | \$2,178,150       | \$1,974,228       | \$1,050,690       | \$2,672,982       | \$516,151         | \$1,709,645       |
| Revenue Sharing                                  | \$14,155,765      | \$21,160,833        | \$12,532,383      | \$12,532,382      | \$12,532,382      | \$12,532,382      | \$12,532,382      | \$0               |
| 2000/2001 Additional State Aid                   | \$0               | \$0                 | \$10,000,000      | \$0               | \$0               | \$0               | \$0               | \$0               |
| Spinup State Aid                                 | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$15,600,000      | \$6,000,000       |
| AIM State Aid                                    | \$0               | \$0                 | \$0               | \$0               | \$0               | \$0               | \$0               | \$48,825,909      |
| State Full Value Assessment Aid                  | \$241,813         | \$0                 | \$163,596         | \$59,491          | \$81,334          | \$81,308          | \$81,090          | \$0               |
| State Aid-STAR Administration                    | \$128,895         | \$90,026            | \$72,210          | \$62,954          | \$47,210          | \$37,925          | \$35,353          | \$24,324          |
| Highway Maintenance                              | \$174,275         | \$0                 | \$435,895         | \$87,344          | \$174,688         | \$174,688         | \$174,688         | \$174,688         |
| Ramp Agreement                                   | \$0               | \$0                 | \$0               | \$0               | \$0               | \$17,789          | \$40,211          | \$0               |
| Youth Projects                                   | \$101,443         | \$24,931            | \$79,105          | \$55,493          | \$33,735          | \$54,969          | \$194,039         | \$3,569           |
| Emergency Fin. Assist to Eligible Municipalities | \$3,341,661       | \$3,341,661         | \$3,341,661       | \$3,341,661       | \$3,341,661       | \$3,341,661       | \$3,341,661       | \$0               |
| Arson Lab Proceeds                               | \$2,000           | \$2,000             | \$2,000           | \$0               | \$0               | \$0               | \$0               | \$0               |
| Other Public Safety                              | \$57              | \$0                 | \$0               | \$0               | \$0               | \$0               | \$0               | \$0               |
| State Aid - Disaster Assistance                  | \$4,580,093       | \$20,622            | \$0               | \$1,510           | \$23              | \$0               | \$0               | \$0               |
| Targeted Aid                                     | \$15,000,000      | \$15,000,000        | \$15,000,000      | \$25,000,000      | \$25,000,000      | \$25,000,000      | \$25,000,000      | \$0               |
| <b>Total, State Aid</b>                          | \$43,423,161      | \$44,726,889        | \$47,119,580      | \$46,697,108      | \$46,134,472      | \$48,005,475      | \$61,580,716      | \$58,580,284      |

|   | 1998-99<br>Actual    | 1999-2000<br>Actual  | 2000-01<br>Actual    | 2001-02<br>Actual    | 2002-03<br>Actual    | 2003-04<br>Actual    | 2004-05<br>Actual    | 2005-06<br>Actual    |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>FEDERAL AID</b>                                |                      |                      |                      |                      |                      |                      |                      |                      |
| Federal Aid - Traffic Control                     | \$0                  | \$0                  | \$0                  | \$0                  | \$6,460              | \$79,507             | \$0                  | \$159,323            |
| Federal Aid - Miscellaneous                       | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$4,204              |
| Federal Aid - Disaster Assistance                 | \$834,534            | \$121,818            | \$0                  | \$8,721              | \$20,701             | \$0                  | \$0                  | \$0                  |
| <b>Total, Federal Aid</b>                         | <b>\$834,534</b>     | <b>\$121,818</b>     | <b>\$0</b>           | <b>\$8,721</b>       | <b>\$27,161</b>      | <b>\$79,507</b>      | <b>\$0</b>           | <b>\$163,527</b>     |
| <b>MISCELLANEOUS REVENUE &amp; RESOURCES</b>      |                      |                      |                      |                      |                      |                      |                      |                      |
| County Settlement-Jail Suit                       | \$0                  | \$0                  | \$0                  | \$1,200,000          | \$0                  | \$0                  | \$0                  | \$0                  |
| Bid/Spec. Revenue                                 | \$0                  | \$0                  | \$0                  | \$5,020              | \$9,635              | \$15,870             | \$12,350             | \$21,190             |
| Insurance Recoveries                              | \$0                  | \$152,083            | \$172,867            | \$124,808            | \$90,059             | \$124,846            | \$257,587            | \$86,518             |
| Miscellaneous Compensation for Loss               | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$19,637             |
| Telephone Commissions                             | \$0                  | \$0                  | \$0                  | \$18,117             | \$15,623             | \$7,421              | \$0                  | \$0                  |
| Project Orange Contributions                      | \$0                  | \$0                  | \$0                  | \$16,289             | \$17,103             | \$17,959             | \$18,856             | \$19,799             |
| Soda Commissions                                  | \$0                  | \$0                  | \$0                  | \$800                | \$0                  | \$0                  | \$0                  | \$163,733            |
| SIDA Reimbursement                                | \$217,145            | \$73,585             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$100,000            |
| Aviation Fund Reimbursements                      | \$900,000            | \$950,004            | \$978,500            | \$675,139            | \$780,029            | \$876,000            | \$1,303,310          | \$1,089,000          |
| Interfund Transfer-Water Fund                     | \$941,707            | \$1,455,000          | \$900,000            | \$1,195,000          | \$900,000            | \$2,100,000          | \$2,632,341          | \$1,400,000          |
| Interfund Transfer-Sewer Fund Reimbursement       | \$0                  | \$331,000            | \$300,000            | \$340,000            | \$340,000            | \$440,000            | \$325,000            | \$0                  |
| <b>Total, Miscellaneous Revenue and Resources</b> | <b>\$2,058,852</b>   | <b>\$2,961,672</b>   | <b>\$2,351,367</b>   | <b>\$3,575,173</b>   | <b>\$2,152,449</b>   | <b>\$3,582,096</b>   | <b>\$4,549,444</b>   | <b>\$2,899,877</b>   |
| <b>TOTAL GENERAL FUND REVENUE</b>                 | <b>\$119,050,192</b> | <b>\$124,660,927</b> | <b>\$124,754,345</b> | <b>\$124,839,166</b> | <b>\$128,539,305</b> | <b>\$139,743,264</b> | <b>\$169,157,284</b> | <b>\$163,728,744</b> |
| <b>TAX LEVY</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |
| Tax Budget  | \$20,837,477         | \$20,170,739         | \$19,724,054         | \$19,626,936         | \$22,311,314         | \$22,236,314         | \$22,236,314         | \$24,348,764         |
| STAR (included in the tax levy)                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| 1% Pursuant to Law                                | \$208,375            | \$201,707            | \$197,241            | \$196,269            | \$223,113            | \$222,363            | \$222,363            | \$243,488            |
| <b>TOTAL TAX LEVY</b>                             | <b>\$21,045,852</b>  | <b>\$20,372,446</b>  | <b>\$19,921,295</b>  | <b>\$19,823,205</b>  | <b>\$22,534,427</b>  | <b>\$22,458,677</b>  | <b>\$22,458,677</b>  | <b>\$24,592,252</b>  |
| <b>TOTAL ALL REVENUES AND TAX PROCEEDS</b>        | <b>\$140,096,044</b> | <b>\$145,033,373</b> | <b>\$144,675,640</b> | <b>\$144,662,371</b> | <b>\$151,073,732</b> | <b>\$162,201,941</b> | <b>\$191,615,961</b> | <b>\$188,320,996</b> |

**SPECIAL FUNDS**

|                       | 1998-99<br>Actual   | 1999-2000<br>Actual | 2000-01<br>Actual   | 2001-02<br>Actual   | 2002-03<br>Actual   | 2003-04<br>Actual   | 2004-05<br>Actual   | 2005-06<br>Actual   |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>WATER FUND</b>     |                     |                     |                     |                     |                     |                     |                     |                     |
| Use of Fund Balance   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$600,000           | \$0                 | \$0                 |
| Sale of Water         | \$10,253,049        | \$11,011,117        | \$12,019,371        | \$12,027,318        | \$13,924,945        | \$12,890,915        | \$14,650,624        | \$14,227,248        |
| Other Revenues        | \$770,624           | \$575,026           | \$562,422           | \$741,329           | \$303,481           | \$672,512           | \$723,681           | \$827,428           |
| <b>Total</b>          | <b>\$11,023,673</b> | <b>\$11,586,143</b> | <b>\$12,581,793</b> | <b>\$12,768,647</b> | <b>\$14,228,426</b> | <b>\$14,163,427</b> | <b>\$15,374,305</b> | <b>\$15,054,676</b> |
| <br><b>SEWER FUND</b> |                     |                     |                     |                     |                     |                     |                     |                     |
| Sewer Rents           | \$4,196,151         | \$4,088,704         | \$4,464,976         | \$4,290,319         | \$4,653,845         | \$4,848,104         | \$4,191,323         | \$4,103,806         |

**Eight Years of Actual Expenditures all Funds:**



### City of Syracuse- Actual Expenditures Summary

| General Fund                | 1998/1999   | 1999/2000   | 2000/2001   | 2001/2002   | 2002/2003   | 2003/2004   | 2004/2005   | 2005/2006   |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Departments                 | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      |
| <b>Common Council</b>       |             |             |             |             |             |             |             |             |
| Personal Services           | \$255,151   | \$266,611   | \$271,943   | \$334,801   | \$342,310   | \$357,306   | \$368,547   | \$370,916   |
| Other                       | \$6,320     | \$7,740     | \$8,050     | \$14,519    | \$6,016     | \$4,162     | \$3,749     | \$4,174     |
| Total                       | \$261,471   | \$274,351   | \$279,993   | \$349,320   | \$348,326   | \$361,468   | \$372,296   | \$375,090   |
| <b>Citizen Review Board</b> |             |             |             |             |             |             |             |             |
| Personal Services           | \$80,479    | \$77,787    | \$88,367    | \$89,605    | \$90,785    | \$94,853    | \$95,515    | \$114,727   |
| Other                       | \$8,180     | \$3,123     | \$10,411    | \$2,850     | \$7,142     | \$7,633     | \$2,932     | \$6,020     |
| Total                       | \$88,659    | \$80,910    | \$98,778    | \$92,455    | \$97,927    | \$102,486   | \$98,447    | \$120,747   |
| <b>Executive</b>            |             |             |             |             |             |             |             |             |
| Personal Services           | \$1,405,542 | \$1,431,544 | \$1,845,584 | \$1,918,633 | \$1,700,712 | \$1,741,944 | \$1,648,895 | \$1,685,362 |
| Other                       | \$112,875   | \$116,317   | \$148,451   | \$187,384   | \$410,801   | \$360,053   | \$361,126   | \$427,882   |
| Total                       | \$1,518,417 | \$1,547,861 | \$1,994,035 | \$2,106,017 | \$2,111,513 | \$2,101,997 | \$2,010,021 | \$2,113,244 |
| <b>Purchase</b>             |             |             |             |             |             |             |             |             |
| Total                       | \$328,315   | \$332,716   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| <b>Finance</b>              |             |             |             |             |             |             |             |             |
| Personal Services           | \$921,258   | \$944,052   | \$1,033,737 | \$1,065,683 | \$1,005,101 | \$1,187,128 | \$1,232,667 | \$1,298,226 |
| Other                       | \$433,894   | \$445,326   | \$488,434   | \$353,405   | \$660,112   | \$579,676   | \$631,734   | \$740,648   |
| Total                       | \$1,355,152 | \$1,389,378 | \$1,522,171 | \$1,419,088 | \$1,665,213 | \$1,766,804 | \$1,864,401 | \$2,038,874 |
| <b>Audit</b>                |             |             |             |             |             |             |             |             |
| Personal Services           | \$148,602   | \$155,688   | \$161,705   | \$169,970   | \$170,380   | \$183,766   | \$189,330   | \$189,627   |
| Other                       | \$7,001     | \$11,149    | \$7,890     | \$4,727     | \$4,914     | \$6,390     | \$8,139     | \$11,723    |
| Total                       | \$155,603   | \$166,837   | \$169,595   | \$174,697   | \$175,294   | \$190,156   | \$197,469   | \$201,350   |
| <b>City Clerk</b>           |             |             |             |             |             |             |             |             |
| Personal Services           | \$178,313   | \$186,484   | \$193,336   | \$212,156   | \$229,731   | \$237,702   | \$234,710   | \$247,331   |
| Other                       | \$11,363    | \$12,700    | \$8,306     | \$11,074    | \$9,860     | \$14,505    | \$8,534     | \$9,127     |
| Total                       | \$189,676   | \$199,184   | \$201,642   | \$223,230   | \$239,591   | \$252,207   | \$243,244   | \$256,458   |
| <b>Assessment</b>           |             |             |             |             |             |             |             |             |
| Personal Services           | \$429,503   | \$415,206   | \$438,387   | \$447,079   | \$422,704   | \$425,126   | \$428,861   | \$438,513   |
| Other                       | \$26,381    | \$25,455    | \$30,026    | \$30,572    | \$27,204    | \$13,202    | \$27,334    | \$32,595    |
| Total                       | \$455,884   | \$440,661   | \$468,413   | \$477,651   | \$449,908   | \$438,328   | \$456,195   | \$471,108   |
| <b>Law</b>                  |             |             |             |             |             |             |             |             |
| Personal Services           | \$817,196   | \$820,907   | \$813,480   | \$834,846   | \$834,055   | \$873,814   | \$882,417   | \$936,671   |
| Other                       | \$149,915   | \$211,280   | \$262,303   | \$211,837   | \$289,834   | \$310,960   | \$344,101   | \$362,945   |
| Total                       | \$967,111   | \$1,032,187 | \$1,075,783 | \$1,046,683 | \$1,123,889 | \$1,184,774 | \$1,226,518 | \$1,299,616 |

**City of Syracuse- Actual Expenditures Summary**

|  | 1998/1999           | 1999/2000           | 2000/2001           | 2001/2002           | 2002/2003           | 2003/2004            | 2004/2005            | 2005/2006            |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Departments                              | Actual              | Actual              | Actual              | Actual              | Actual              | Actual               | Actual               | Actual               |
| <b>Elections</b>                         |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$178,217           | \$202,046           | \$192,986           | \$211,309           | \$189,095           | \$195,665            | \$176,246            | \$150,506            |
| Other                                    | \$86,714            | \$88,941            | \$87,263            | \$90,235            | \$83,466            | \$87,080             | \$86,009             | \$63,698             |
| <b>Total</b>                             | <b>\$264,931</b>    | <b>\$290,987</b>    | <b>\$280,249</b>    | <b>\$301,544</b>    | <b>\$272,561</b>    | <b>\$282,745</b>     | <b>\$262,255</b>     | <b>\$214,204</b>     |
| <b>Community Development</b>             |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$561,069           | \$585,884           | \$611,803           | \$683,246           | \$711,880           | \$709,361            | \$743,892            | \$758,299            |
| Other                                    | \$1,536,723         | \$1,570,843         | \$1,747,750         | \$1,803,300         | \$1,855,237         | \$2,112,819          | \$2,445,171          | \$2,400,729          |
| <b>Total</b>                             | <b>\$2,097,792</b>  | <b>\$2,156,727</b>  | <b>\$2,359,553</b>  | <b>\$2,486,546</b>  | <b>\$2,567,117</b>  | <b>\$2,822,180</b>   | <b>\$3,189,063</b>   | <b>\$3,159,028</b>   |
| <b>Economic Development</b>              |                     |                     |                     |                     |                     |                      |                      |                      |
| <b>Total</b>                             | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>           | <b>\$0</b>           | <b>\$874</b>         |
| <b>Community Services</b>                |                     |                     |                     |                     |                     |                      |                      |                      |
| <b>Total</b>                             | <b>\$174,996</b>    | <b>\$171,310</b>    | <b>\$190,893</b>    | <b>\$132,321</b>    | <b>\$0</b>          | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>Engineering</b>                       |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$0                 | \$0                 | \$2,449,966         | \$2,734,375         | \$3,035,900         | \$3,023,676          | \$3,222,939          | \$3,305,884          |
| Other                                    | \$0                 | \$0                 | \$1,912,994         | \$1,899,534         | \$2,245,114         | \$2,210,740          | \$529,819            | \$674,520            |
| <b>Total</b>                             | <b>\$0</b>          | <b>\$0</b>          | <b>\$4,362,960</b>  | <b>\$4,633,909</b>  | <b>\$5,281,014</b>  | <b>\$5,234,416</b>   | <b>\$3,752,758</b>   | <b>\$3,980,404</b>   |
| <b>Public Works</b>                      |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$10,217,899        | \$11,684,318        | \$9,359,403         | \$9,969,752         | \$8,532,495         | \$8,934,630          | \$8,802,110          | \$9,128,408          |
| Other                                    | \$16,971,086        | \$15,161,423        | \$13,611,585        | \$13,192,328        | \$13,008,550        | \$13,388,860         | \$15,059,034         | \$15,205,139         |
| <b>Total</b>                             | <b>\$27,188,985</b> | <b>\$26,845,741</b> | <b>\$22,970,988</b> | <b>\$23,162,080</b> | <b>\$21,541,045</b> | <b>\$22,323,490</b>  | <b>\$23,861,144</b>  | <b>\$24,333,547</b>  |
| <b>Fire</b>                              |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$19,644,639        | \$20,364,443        | \$21,530,305        | \$22,085,881        | \$21,860,979        | \$22,615,751         | \$22,833,955         | \$22,990,575         |
| Other                                    | \$1,409,924         | \$1,219,662         | \$1,102,961         | \$997,505           | \$1,071,247         | \$1,133,039          | \$1,244,046          | \$1,606,490          |
| <b>Total</b>                             | <b>\$21,054,563</b> | <b>\$21,584,105</b> | <b>\$22,633,266</b> | <b>\$23,083,386</b> | <b>\$22,932,226</b> | <b>\$23,748,790</b>  | <b>\$24,078,001</b>  | <b>\$24,597,065</b>  |
| <b>Police</b>                            |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$24,578,153        | \$25,862,580        | \$27,705,716        | \$29,098,569        | \$31,588,584        | \$32,070,496         | \$35,643,353         | \$36,334,170         |
| Other                                    | \$1,998,200         | \$2,214,675         | \$1,899,768         | \$1,805,622         | \$1,920,717         | \$2,017,896          | \$2,224,138          | \$2,592,729          |
| <b>Total</b>                             | <b>\$26,576,353</b> | <b>\$28,077,255</b> | <b>\$29,605,484</b> | <b>\$30,904,191</b> | <b>\$33,509,301</b> | <b>\$34,088,392</b>  | <b>\$37,867,491</b>  | <b>\$38,926,899</b>  |
| <b>Parks and Recreation</b>              |                     |                     |                     |                     |                     |                      |                      |                      |
| Personal Services                        | \$2,208,744         | \$2,235,984         | \$2,448,627         | \$2,638,734         | \$4,060,097         | \$4,324,683          | \$4,513,626          | \$4,663,406          |
| Other                                    | \$481,460           | \$605,117           | \$523,495           | \$845,094           | \$1,952,853         | \$1,777,228          | \$1,784,538          | \$2,034,467          |
| <b>Total</b>                             | <b>\$2,690,204</b>  | <b>\$2,841,101</b>  | <b>\$2,972,122</b>  | <b>\$3,483,828</b>  | <b>\$6,012,950</b>  | <b>\$6,101,911</b>   | <b>\$6,298,164</b>   | <b>\$6,697,873</b>   |
| <b>Total Departmental Appropriations</b> | <b>\$85,368,112</b> | <b>\$87,431,311</b> | <b>\$91,185,925</b> | <b>\$94,076,946</b> | <b>\$98,327,875</b> | <b>\$101,000,144</b> | <b>\$105,777,467</b> | <b>\$108,786,381</b> |

**City of Syracuse- Actual Expenditures Summary**

|   | 1998/1999   | 1999/2000   | 2000/2001 | 2001/2002   | 2002/2003   | 2003/2004   | 2004/2005   | 2005/2006   |
|---|-------------|-------------|-----------|-------------|-------------|-------------|-------------|-------------|
| Special Objects of Expense                  | Actual      | Actual      | Actual    | Actual      | Actual      | Actual      | Actual      | Actual      |
| Fiscal Services                             | \$408,582   | \$299,597   | \$180,783 | \$145,401   | \$133,807   | \$173,306   | \$152,989   | \$178,487   |
| Board of Assessment Review                  | \$13,734    | \$12,645    | \$11,447  | \$15,556    | \$9,203     | \$12,224    | \$12,244    | \$10,989    |
| Printing & Advertising                      | \$161,440   | \$169,627   | \$143,047 | \$166,553   | \$180,210   | \$147,206   | \$175,773   | \$189,883   |
| Labor Relations Expense                     | \$44,491    | \$149,050   | \$155,540 | \$27,865    | \$97,065    | \$59,161    | \$42,918    | \$101,993   |
| Unallocated Insurance                       | \$32,464    | \$29,741    | \$37,089  | \$19,664    | \$31,292    | \$23,057    | \$26,997    | \$25,784    |
| Conference & Association Ducs               | \$30,032    | \$17,296    | \$45,626  | \$31,382    | \$32,414    | \$23,471    | \$34,500    | \$36,459    |
| Judgments and Claims                        | \$2,093,063 | \$1,860,153 | \$511,213 | \$394,934   | \$284,101   | \$296,698   | \$231,024   | \$149,190   |
| Partnership to Reduce Juvenile Gun Violence | \$0         | \$0         | \$0       | \$75,000    | \$75,000    | \$75,000    | \$0         | \$0         |
| Summer Employment for At-Risk Youth         | \$0         | \$0         | \$0       | \$0         | \$455       | \$51,276    | \$0         | \$4,298     |
| VIP   | \$0         | \$0         | \$0       | \$0         | \$0         | \$138,389   | \$174,036   | \$158,000   |
| Tax Certiorari                              | \$91,526    | \$149,271   | \$124,535 | \$54,285    | \$53,841    | \$11,837    | \$7,799     | \$22,220    |
| Tax Trust Refund                            | \$15,354    | \$3,717     | \$0       | \$0         | \$0         | \$0         | \$0         | \$0         |
| Prior Year's Special Assessment Refund      | \$34,154    | \$8,982     | \$9,511   | \$1,121     | \$3,385     | \$3,455     | \$15,769    | \$9,747     |
| City Share of Local Assessment              | \$112,822   | \$163,627   | \$284,296 | \$218,321   | \$282,969   | \$219,850   | \$304,820   | \$218,745   |
| City Share of Tax Deeds                     | \$483,672   | \$667,097   | \$524,344 | \$506,549   | \$224,466   | \$263,528   | \$375,382   | \$341,175   |
| External Auditors                           | \$62,500    | \$65,000    | \$68,000  | \$68,000    | \$68,000    | \$73,975    | \$74,000    | \$75,000    |
| Financial Management System                 | \$65,682    | \$87,722    | \$77,482  | \$93,218    | \$106,878   | \$93,218    | \$97,549    | \$104,172   |
| Implementation of GASB 34                   | \$0         | \$0         | \$26,528  | \$214,744   | \$91,774    | \$720       | \$0         | \$0         |
| Special Audit Services                      | \$0         | \$9,000     | \$0       | \$29,250    | \$12,800    | \$57,320    | \$46,149    | \$20,340    |
| City/County Courthouse                      | \$0         | \$0         | \$208,884 | \$16,181    | \$1,312,472 | \$1,230,986 | \$1,575,208 | \$1,672,849 |
| Forensic Lab                                | \$0         | \$0         | \$675,740 | \$1,206,728 | \$954,135   | \$751,903   | \$0         | \$0         |
| Code Enforcement Demolition                 | \$291,231   | \$495,860   | \$449,355 | \$486,958   | \$598,926   | \$1,239,789 | \$630,303   | \$788,820   |
| Onondaga Historical Association             | \$0         | \$20,000    | \$20,000  | \$20,000    | \$20,000    | \$20,000    | \$20,000    | \$20,000    |
| Miscellaneous Celebrations                  | \$25,819    | \$26,962    | \$30,767  | \$33,597    | \$33,876    | \$32,878    | \$32,960    | \$43,344    |
| Syracuse Jazz Festival                      | \$5,000     | \$10,000    | \$0       | \$0         | \$0         | \$0         | \$0         | \$0         |
| Syracuse Symphony                           | \$25,000    | \$0         | \$0       | \$0         | \$0         | \$0         | \$0         | \$0         |
| Clinton Square-Special Events               | \$0         | \$0         | \$0       | \$0         | \$0         | \$0         | \$0         | \$0         |
| Urban Cultural Parks Expenses               | \$42,543    | \$44,957    | \$43,746  | \$50,000    | \$43,941    | \$44,502    | \$45,000    | \$45,000    |
| Metronet                                    | \$0         | \$0         | \$0       | \$11,215    | \$19,110    | \$27,071    | \$20,669    | \$18,171    |
| Comprehensive Plan                          | \$0         | \$0         | \$0       | \$4,009     | \$69,891    | \$92,676    | \$0         | \$0         |
| Profiling Study                             | \$0         | \$0         | \$0       | \$0         | \$0         | \$0         | \$21,244    | \$7,750     |
| University Neighborhood Grant Fund          | \$321,848   | \$303,113   | \$289,067 | \$297,274   | \$302,160   | \$313,726   | \$312,470   | \$324,976   |
| Leadership Syracuse                         | \$20,000    | \$20,000    | \$25,000  | \$20,000    | \$20,000    | \$20,000    | \$20,000    | \$20,000    |
| Mandated Drug Testing                       | \$15,775    | \$11,004    | \$10,825  | \$12,234    | \$10,812    | \$12,391    | \$13,210    | \$10,180    |

**City of Syracuse- Actual Expenditures Summary**

|   | 1998/1999            | 1999/2000            | 2000/2001            | 2001/2002            | 2002/2003            | 2003/2004            | 2004/2005            | 2005/2006            |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | Actual               | Actual               | Actual               | Actual               | Actual               | Actual               | Actual               | Actual               |
| <b>Special Objects of Expense</b>       |                      |                      |                      |                      |                      |                      |                      |                      |
| Neighborhood Watch Groups of Syracuse   | \$0                  | \$45,000             | \$56,150             | \$60,990             | \$63,535             | \$63,535             | \$67,802             | \$69,826             |
| Board of Zoning Appeals                 | \$6,150              | \$6,300              | \$6,675              | \$6,525              | \$5,925              | \$5,175              | \$3,825              | \$5,175              |
| Rescue Mission Van                      | \$0                  | \$108,000            | \$36,000             | \$36,000             | \$36,000             | \$36,000             | \$36,000             | \$36,000             |
| Veterans' Post Rents                    | \$1,440              | \$1,560              | \$1,560              | \$1,320              | \$1,440              | \$1,440              | \$1,440              | \$660                |
| Allowance for Negotiations              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Employee Retirement System              | \$487,455            | \$448,164            | \$453,393            | \$375,560            | \$1,424,909          | \$2,216,899          | \$4,495,242          | \$2,758,134          |
| Police & Fire Retirement System         | \$2,687,707          | \$1,430,821          | \$1,835,027          | \$1,409,698          | \$1,445,391          | \$4,503,132          | \$14,394,935         | \$10,242,066         |
| Police Pension Fund-Local               | \$23,269             | \$19,282             | \$0                  | \$10,877             | \$0                  | \$20,987             | \$28,480             | \$0                  |
| Fire Pension Fund-Local                 | \$76,244             | \$61,105             | \$39,937             | \$28,334             | \$5,755              | \$20,630             | \$6,336              | \$0                  |
| Social Security                         | \$5,250,191          | \$5,186,614          | \$5,466,288          | \$5,761,182          | \$5,781,540          | \$6,348,750          | \$5,893,747          | \$6,650,359          |
| Workers' Compensation                   | \$2,298,043          | \$1,987,095          | \$1,776,051          | \$1,383,283          | \$1,757,308          | \$2,087,505          | \$2,169,206          | \$2,587,469          |
| Personal Injury Protection              | \$116,376            | \$51,933             | \$49,556             | \$8,730              | \$24,749             | \$21,727             | \$12,218             | \$13,786             |
| Police 207-C Expenses                   | \$0                  | \$2,059              | \$323,000            | \$574,153            | \$555,239            | \$774,265            | \$862,711            | \$639,997            |
| Fire 207-A Expenses                     | \$0                  | \$37,202             | \$120,545            | \$166,333            | \$109,439            | \$91,553             | \$174,305            | \$84,391             |
| Unemployment Insurance                  | \$109,495            | \$103,229            | \$73,820             | \$192,397            | \$96,688             | \$129,225            | \$105,061            | \$100,327            |
| Hospital, Medical & Surgical Insurance: |                      |                      |                      |                      |                      |                      |                      |                      |
| --Active Employees                      | \$6,876,684          | \$7,474,120          | \$8,287,013          | \$9,218,654          | \$10,555,357         | \$10,605,519         | \$10,483,009         | \$12,601,956         |
| --Retirees                              | \$6,028,573          | \$6,627,993          | \$6,622,146          | \$7,265,740          | \$8,664,284          | \$11,386,062         | \$13,436,611         | \$15,262,935         |
| Employee Assistance Program             | \$27,000             | \$46,000             | \$37,000             | \$38,000             | \$38,000             | \$31,050             | \$52,850             | \$42,500             |
| Storm Cleanup                           | \$3,922,671          | \$402,912            | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Lease of Capital Equipment              | \$553,666            | \$265,372            | \$265,573            | \$265,372            | \$252,267            | \$252,267            | \$254,895            | \$252,267            |
| Lease of Operating Equipment            | \$0                  | \$0                  | \$0                  | \$80,967             | \$147,556            | \$141,924            | \$65,127             | \$2,454              |
| Supplemental Benefit Payment            | \$624,795            | \$666,525            | \$743,783            | \$834,928            | \$786,900            | \$783,532            | \$795,577            | \$695,993            |
| Revenue Anticipation Notes-Interest     | \$1,367,070          | \$1,349,183          | \$1,078,250          | \$572,250            | \$298,854            | \$221,667            | \$807,657            | \$1,181,354          |
| Interfund Transfer-City School District | \$0                  | \$942,000            | \$0                  | \$718,688            | \$0                  | \$0                  | \$0                  | \$1,720,943          |
| Debt Service Fund                       | \$13,738,241         | \$13,175,034         | \$12,886,206         | \$12,879,217         | \$14,416,457         | \$15,075,449         | \$15,121,232         | \$16,434,548         |
| Capital Projects Fund                   | \$2,269,750          | \$2,570,000          | \$3,513,000          | \$3,156,062          | \$3,128,350          | \$1,454,671          | \$2,519,795          | \$2,637,350          |
| <b>Total Special Objects of Expense</b> | <b>\$50,861,552</b>  | <b>\$47,631,924</b>  | <b>\$47,623,798</b>  | <b>\$49,265,299</b>  | <b>\$54,668,926</b>  | <b>\$61,782,577</b>  | <b>\$76,251,074</b>  | <b>\$78,618,062</b>  |
| <br>                                    |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>GRAND TOTAL NET APPROPRIATIONS</b>   | <b>\$136,229,664</b> | <b>\$135,063,235</b> | <b>\$138,809,723</b> | <b>\$143,342,245</b> | <b>\$152,996,801</b> | <b>\$162,782,721</b> | <b>\$182,028,541</b> | <b>\$187,404,443</b> |

### City of Syracuse- Actual Expenditures by Object

|                                 | 1998/1999     | 1999/2000     | 2000/2001     | 2001/2002     | 2002/2003     | 2003/2004     | 2004/2005     | 2005/2006     |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>General Fund</u>             | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> |
| Personal Services               | \$62,128,076  | \$65,737,560  | \$69,336,238  | \$72,626,960  | \$74,774,808  | \$76,975,901  | \$81,017,063  | \$82,613,495  |
| Employee Benefits               | \$24,605,832  | \$24,142,142  | \$25,827,559  | \$27,267,869  | \$31,245,559  | \$39,020,836  | \$52,910,288  | \$51,679,913  |
| Equip /Contractual Expenses     | \$23,240,036  | \$21,693,751  | \$21,849,687  | \$21,449,986  | \$23,553,067  | \$24,024,243  | \$24,760,404  | \$26,172,886  |
| Other Special Objects           | \$8,326,993   | \$5,188,193   | \$4,053,210   | \$4,324,874   | \$5,179,883   | \$5,615,763   | \$4,572,080   | \$4,709,233   |
| Cash Capital                    | \$2,269,750   | \$2,570,000   | \$3,513,000   | \$3,156,062   | \$3,128,350   | \$1,454,671   | \$2,519,795   | \$2,637,350   |
| Lease payments/RAN interest     | \$1,920,736   | \$1,614,555   | \$1,343,823   | \$918,589     | \$698,677     | \$615,858     | \$1,127,679   | \$1,436,075   |
| Interfund Transfer-Debt Service | \$13,738,241  | \$13,175,034  | \$12,886,206  | \$12,879,217  | \$14,416,457  | \$15,075,449  | \$15,121,232  | \$16,434,548  |
| Interfund Transfers-SCSD        | \$0           | \$942,000     | \$0           | \$718,688     | \$0           | \$0           | \$0           | \$1,720,943   |
| Total Expenditures by Object    | \$136,229,664 | \$135,063,235 | \$138,809,723 | \$143,342,245 | \$152,996,801 | \$162,782,721 | \$182,028,541 | \$187,404,443 |

### City of Syracuse- Actual Expenditures by Function

|                                 | 1998/1999     | 1999/2000     | 2000/2001     | 2001/2002     | 2002/2003     | 2003/2004     | 2004/2005     | 2005/2006     |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>General Fund</u>             | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> |
| General Government Support      | \$7,858,007   | \$8,083,109   | \$13,004,065  | \$13,443,461  | \$14,332,353  | \$14,737,561  | \$13,672,667  | \$14,230,997  |
| Public Safety                   | \$47,630,916  | \$49,661,360  | \$52,238,750  | \$53,987,577  | \$56,441,527  | \$57,837,182  | \$61,945,492  | \$63,523,964  |
| Public Works                    | \$27,188,985  | \$26,845,741  | \$22,970,988  | \$23,162,080  | \$21,541,045  | \$22,323,490  | \$23,861,144  | \$24,333,547  |
| Parks & Recreation              | \$2,690,204   | \$2,841,101   | \$2,972,122   | \$3,483,828   | \$6,012,950   | \$6,101,911   | \$6,298,164   | \$6,697,873   |
| Employee Benefits               | \$24,605,832  | \$24,142,142  | \$25,827,559  | \$27,267,869  | \$31,245,559  | \$39,020,836  | \$52,910,288  | \$51,679,913  |
| Capital, Lease and RAN interest | \$4,190,486   | \$4,184,555   | \$4,856,823   | \$4,074,651   | \$3,827,027   | \$2,070,529   | \$3,647,474   | \$4,073,425   |
| Interfund Transfer-Debt Service | \$13,738,241  | \$13,175,034  | \$12,886,206  | \$12,879,217  | \$14,416,457  | \$15,075,449  | \$15,121,232  | \$16,434,548  |
| Interfund Transfers-SCSD        | \$0           | \$942,000     | \$0           | \$718,688     | \$0           | \$0           | \$0           | \$1,720,943   |
| Other                           | \$8,326,993   | \$5,188,193   | \$4,053,210   | \$4,324,874   | \$5,179,883   | \$5,615,763   | \$4,572,080   | \$4,709,233   |
| Total Expenditures by Function  | \$136,229,664 | \$135,063,235 | \$138,809,723 | \$143,342,245 | \$152,996,801 | \$162,782,721 | \$182,028,541 | \$187,404,443 |

### City of Syracuse- Actual Expenditures Summary

| Special Funds                  | 1998/1999           | 1999/2000           | 2000/2001           | 2001/2002           | 2002/2003           | 2003/2004           | 2004/2005           | 2005/2006           |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                | Actual              | Actual              | Actual              | Actual              | Actual              | Actual              | Actual              | Actual              |
| <b>WATER FUND</b>              |                     |                     |                     |                     |                     |                     |                     |                     |
| Personal Services              | \$4,161,934         | \$4,123,682         | \$4,058,218         | \$4,189,676         | \$4,184,638         | \$4,467,108         | \$4,542,205         | \$4,736,602         |
| Other                          | \$1,982,639         | \$2,062,310         | \$2,420,773         | \$3,360,234         | \$3,400,937         | \$3,658,438         | \$3,444,179         | \$4,362,428         |
| Subtotal                       | \$6,144,573         | \$6,185,992         | \$6,478,991         | \$7,549,910         | \$7,585,575         | \$8,125,546         | \$7,986,384         | \$9,099,030         |
| Special Objects of Expense     |                     |                     |                     |                     |                     |                     |                     |                     |
| Fiscal Services                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$13,928            | \$14,648            | \$28,280            |
| Judgements & Claims            | \$4,068             | \$31,730            | \$11,134            | \$103,548           | \$5,300             | \$15,872            | \$9,310             | \$8,955             |
| City Share of Local Assessment | \$588,097           | \$531,448           | \$513,233           | \$534,750           | \$494,562           | \$425,753           | \$429,983           | \$450,222           |
| Onondaga County Water District | \$86,715            | \$589,178           | \$52,131            | \$195,463           | \$107,075           | \$50,000            | \$50,000            | \$50,000            |
| Bad Debt Expense               | \$0                 | \$0                 | \$0                 | \$0                 | \$609,185           | \$975,123           | \$508,680           | \$478,875           |
| Depreciation Expense           | \$0                 | \$0                 | \$0                 | \$0                 | \$423,476           | \$477,915           | \$613,451           | \$746,299           |
| Employee Retirement System     | \$94,937            | \$81,270            | \$77,021            | \$59,739            | \$464,743           | \$189,966           | \$759,807           | \$465,241           |
| Social Security                | \$326,804           | \$309,162           | \$315,261           | \$320,510           | \$319,733           | \$341,734           | \$347,479           | \$362,350           |
| Workers' Compensation          | \$376,157           | \$416,312           | \$475,374           | \$756,856           | \$268,959           | \$159,517           | \$127,002           | \$198,956           |
| Personal Injury Protection     | \$0                 | \$0                 | \$4,215             | \$14,890            | \$4,398             | \$0                 | \$0                 | \$246               |
| Unemployment Insurance         | \$0                 | \$1,464             | \$0                 | \$3,291             | \$3,786             | \$0                 | \$2,257             | \$3,897             |
| Hospital, Medical Insurance    | \$484,062           | \$501,036           | \$514,522           | \$620,708           | \$635,123           | \$822,799           | \$811,780           | \$926,878           |
| Compensated Absences           | \$0                 | \$0                 | \$0                 | \$24,151            | \$0                 | \$26,416            | \$17,626            | \$7,631             |
| Capital Appropriations         | \$696,000           | \$370,000           | \$970,000           | \$488,000           | \$607,000           | \$608,000           | \$608,000           | \$799,500           |
| Transfer for Debt Service      | \$1,478,459         | \$1,150,092         | \$1,376,977         | \$1,142,708         | \$1,239,420         | \$1,360,012         | \$1,406,650         | \$1,648,030         |
| Transfer to General Fund       | \$941,707           | \$1,455,000         | \$900,000           | \$1,195,000         | \$900,000           | \$2,100,000         | \$2,632,341         | \$1,400,000         |
| Subtotal                       | \$5,077,006         | \$5,436,692         | \$5,209,868         | \$5,459,614         | \$6,082,760         | \$7,567,035         | \$8,339,014         | \$7,575,360         |
| <b>TOTAL</b>                   | <b>\$11,221,579</b> | <b>\$11,622,684</b> | <b>\$11,688,859</b> | <b>\$13,009,524</b> | <b>\$13,668,335</b> | <b>\$15,692,581</b> | <b>\$16,325,398</b> | <b>\$16,674,390</b> |

**City of Syracuse- Actual Expenditures Summary**

|                                   | 1998/1999          | 1999/2000          | 2000/2001          | 2001/2002          | 2002/2003          | 2003/2004          | 2004/2005          | 2005/2006          |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Special Funds                     | Actual             | Actual             | Actual             | Actual             | Actual             | Actual             | Actual             | Actual             |
| <b>SEWER FUND</b>                 |                    |                    |                    |                    |                    |                    |                    |                    |
| Personal Services                 | \$1,527,090        | \$1,299,751        | \$1,483,738        | \$1,451,088        | \$1,331,818        | \$1,370,386        | \$1,524,394        | \$1,610,449        |
| Other                             | \$640,736          | \$513,423          | \$591,017          | \$648,074          | \$793,061          | \$849,589          | \$824,529          | \$750,678          |
| Subtotal                          | \$2,167,826        | \$1,813,174        | \$2,074,755        | \$2,099,162        | \$2,124,879        | \$2,219,975        | \$2,348,923        | \$2,361,127        |
| <b>Special Objects of Expense</b> |                    |                    |                    |                    |                    |                    |                    |                    |
| Storm Cleanup                     | \$11,511           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Bad Debt Expense                  | \$0                | \$0                | \$0                | \$212,176          | \$356,064          | \$345,417          | \$214,176          | \$103,412          |
| Depreciation Expense              | \$0                | \$0                | \$0                | \$82,345           | \$127,941          | \$242,284          | \$337,547          | \$0                |
| Allowance For Negotiations        | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Employee Retirement System        | \$20,344           | \$16,254           | \$23,288           | \$24,252           | \$64,977           | \$68,903           | \$279,282          | \$165,482          |
| Social Security                   | \$102,605          | \$92,601           | \$113,506          | \$111,008          | \$116,117          | \$104,834          | \$116,616          | \$134,278          |
| Worker's Compensation             | \$285,394          | \$284,044          | \$180,736          | \$198,697          | \$281,151          | \$15,972           | \$109,227          | \$119,281          |
| Personal Injury Insurance         | \$0                | \$8,747            | \$1,725            | \$0                | \$0                | \$0                | \$0                | \$0                |
| Unemployment Insurance            | \$1,764            | \$5,292            | \$0                | \$0                | \$0                | \$0                | \$3,816            | \$1,349            |
| Hospital, Medical Insurance       | \$180,122          | \$194,094          | \$228,626          | \$253,562          | \$246,507          | \$304,075          | \$330,442          | \$407,422          |
| Compensated Absences              | \$0                | \$0                | \$0                | \$15,718           | \$0                | (\$18,116)         | \$10,485           | \$9,192            |
| Transfer to General Fund          | \$0                | \$331,000          | \$300,000          | \$340,000          | \$340,000          | \$440,000          | \$325,000          | \$0                |
| Capital Appropriation             | \$475,000          | \$190,000          | \$252,000          | \$332,000          | \$307,000          | \$317,000          | \$445,000          | \$358,000          |
| Transfer for Debt Service         | \$894,937          | \$1,168,928        | \$861,547          | \$875,622          | \$861,416          | \$807,760          | \$638,976          | \$598,798          |
| Subtotal                          | \$1,971,677        | \$2,290,960        | \$1,961,428        | \$2,445,380        | \$2,701,173        | \$2,628,129        | \$2,810,567        | \$1,897,214        |
| <b>TOTAL</b>                      | <b>\$4,139,503</b> | <b>\$4,104,134</b> | <b>\$4,036,183</b> | <b>\$4,544,542</b> | <b>\$4,826,052</b> | <b>\$4,848,104</b> | <b>\$5,159,490</b> | <b>\$4,258,341</b> |

**Comparison of Full-Time Budgeted Positions (1990-2007/08):**



**COMPARISON OF FULL-TIME BUDGETED POSITIONS**

| GENERAL FUND:                           | 1990        | 97/96       | 98/99       | 99/00       | 2000/01     | 2001/02     | 2002/03     | 2003/04     | 2004/05     | 2005/06     | 2006/07     | 2007/08     | 07/08<br>vs.06/07 | 07/08<br>vs.1990 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|------------------|
| <b>Non-Uniformed Positions:</b>         |             |             |             |             |             |             |             |             |             |             |             |             |                   |                  |
| Common Council                          | 13          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 0                 | 1                |
| Citizen Review Board                    | 0           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 3           | 3           | 3           | 0                 | 3                |
| Judiciary                               | 13          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                 | -13              |
| Executive <sup>1,2</sup>                | 49          | 32          | 34          | 33          | 33          | 33          | 46          | 44          | 44          | 43          | 44          | 45          | 1                 | -4               |
| Finance <sup>2</sup>                    | 29          | 35          | 35          | 35          | 35          | 37          | 37          | 47          | 47          | 46          | 38          | 36          | -2                | 7                |
| Audit                                   | 6           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 0                 | -2               |
| License                                 | 2           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                 | -2               |
| City Clerk                              | 7           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 0                 | -1               |
| Purchase                                | 12          | 10          | 10          | 10          | 10          | 10          | 0           | 0           | 0           | 0           | 0           | 0           | 0                 | -12              |
| Assessment                              | 17          | 12          | 12          | 11          | 11          | 11          | 11          | 11          | 10          | 10          | 10          | 10          | 0                 | -7               |
| Law <sup>2</sup>                        | 31          | 27          | 25          | 25          | 25          | 23          | 23          | 24          | 24          | 27          | 24          | 25          | 1                 | -6               |
| Community Services                      | 9           | 5           | 5           | 5           | 5           | 5           | 0           | 0           | 0           | 0           | 0           | 0           | 0                 | -9               |
| Engineering                             | 38          | 0           | 0           | 0           | 0           | 0           | 59          | 57          | 57          | 59          | 66          | 67          | 1                 | 29               |
| Board of Elections                      | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 0           | 0           | 0                 | -2               |
| Community Development <sup>2</sup>      | 60          | 46          | 46          | 48          | 53          | 53          | 57          | 57          | 57          | 60          | 58          | 68          | 10                | 8                |
| Development                             | 8           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                 | -8               |
| Dept. of Public Works <sup>2</sup>      | 404         | 388         | 382         | 388         | 393         | 405         | 308         | 312         | 311         | 318         | 318         | 319         | 1                 | -85              |
| Fire                                    | 17          | 15          | 15          | 16          | 16          | 16          | 15          | 16          | 15          | 15          | 15          | 16          | 1                 | -1               |
| Police                                  | 141         | 86          | 88          | 86          | 84          | 81          | 78          | 64          | 64          | 67          | 73          | 75          | 2                 | -66              |
| Parks, Recreation, & Youth <sup>2</sup> | 118         | 25          | 24          | 25          | 28          | 29          | 124         | 128         | 128         | 119         | 120         | 120         | 0                 | 2                |
| Subtotal:                               | 976         | 709         | 704         | 710         | 721         | 781         | 786         | 788         | 785         | 793         | 793         | 808         | 15                | -168             |
| <b>Uniformed Positions:</b>             |             |             |             |             |             |             |             |             |             |             |             |             |                   |                  |
| Fire                                    | 479         | 423         | 409         | 390         | 390         | 390         | 390         | 390         | 415         | 415         | 415         | 415         | 0                 | -64              |
| Police                                  | 451         | 524         | 516         | 503         | 503         | 493         | 481         | 480         | 480         | 490         | 494         | 501         | 7                 | 50               |
| Subtotal:                               | 930         | 947         | 925         | 893         | 893         | 883         | 871         | 870         | 895         | 905         | 909         | 916         | 7                 | -14              |
| <b>TOTAL GENERAL FUND</b>               | <b>1906</b> | <b>1656</b> | <b>1629</b> | <b>1603</b> | <b>1614</b> | <b>1664</b> | <b>1657</b> | <b>1658</b> | <b>1680</b> | <b>1698</b> | <b>1702</b> | <b>1724</b> | <b>22</b>         | <b>-182</b>      |
| <b>SPECIAL FUNDS:</b>                   |             |             |             |             |             |             |             |             |             |             |             |             |                   |                  |
| Aviation <sup>2</sup>                   | 79          | 120         | 115         | 120         | 122         | 122         | 122         | 122         | 98          | 101         | 102         | 102         | 0                 | 23               |
| Water <sup>2</sup>                      | 141         | 134         | 134         | 126         | 125         | 127         | 127         | 127         | 127         | 121         | 119         | 119         | 0                 | -22              |
| Sewer                                   | 70          | 51          | 51          | 51          | 51          | 51          | 51          | 51          | 52          | 51          | 51          | 51          | 0                 | -19              |
| <b>TOTAL SPECIAL FUNDS</b>              | <b>290</b>  | <b>305</b>  | <b>300</b>  | <b>297</b>  | <b>298</b>  | <b>300</b>  | <b>300</b>  | <b>300</b>  | <b>277</b>  | <b>273</b>  | <b>272</b>  | <b>272</b>  | <b>0</b>          | <b>-18</b>       |
| <b>TOTAL ALL FUNDS</b>                  | <b>2196</b> | <b>1961</b> | <b>1929</b> | <b>1900</b> | <b>1912</b> | <b>1964</b> | <b>1957</b> | <b>1958</b> | <b>1957</b> | <b>1971</b> | <b>1974</b> | <b>1996</b> | <b>22</b>         | <b>-200</b>      |

<sup>1</sup> Executive Department reflects the incorporation of the Purchase Department and its personnel into the Office of Management and Budget.

<sup>2</sup> Includes positions on Urban Renewal payroll 100% reimbursed from City funds.

**Fiscal Improvement Plan – Narrative:**

## **Fiscal Improvement Plan – Narrative**

The City of Syracuse closed out fiscal year 2006/07 without tapping into its Designated Fund Balance Account as was planned when the 2006/07 Budget was prepared. Each year the City maximizes its revenue opportunities and controls expenditures to set the basis for the current and future spending plans. Through out the year our Syrastat program utilizes current financial and program data to measure the effectiveness of our service delivery systems, so improvements can be made immediately and costs are controlled. During the Capital Improvement Planning process projects are prioritized, other funding sources identified and limits are set to minimize the impact on future budgets.

The gap projections are based upon current trends and assumptions and illustrate the challenges to Syracuse's fiscal condition over the next four years. Ultimately, each year it is the examination and prioritization of each of these assumptions that creates the next spending plan for the City of Syracuse. Those decisions shape the challenges and opportunities for Syracuse's future. To close future years' budget gaps contained in our multi-year projections, the City will have to continue to grow its revenue base and achieve spending targets below the levels contained in these projections.

### **Revenue Possibilities**

On the revenue side, available options for gap closing include raising departmental charges, seeking new revenue authorizations from the State, increasing special funds rates, creating new service charges, lobbying for changes in local tax distributions and increases in local property taxes through growth in the tax base and/or changes in tax rates.

### **Revenue Possibilities Requiring Other Governmental Approvals**

In many areas, the cost of local government is impacted by existing State laws and regulations. We remain committed to identifying ways in which these costs can be reduced. We support such statewide initiatives as mandate relief, early retirement incentive programs that trim the workforce without layoffs and retirement system proposals that change the cost sharing formula for new employees. We will continue to focus our greatest effort in partnership with the State and other urban cities to create innovative programs for cities with dependent school districts.

### **Expenditure Possibilities**

On the expense side, the City of Syracuse will continue to improve productivity and control costs without reducing services through our comprehensive SyraStat accountability management program. Where possible, we seek out opportunities to consolidate services with our school district and other local governments if savings can be demonstrated. We will continue our efforts to integrate technology and

energy efficiency initiatives into the work place to reduce future operating costs. We have reduced our planned borrowing for capital projects and will look for ways to reduce the burden of health care costs.

Salaries, wages and benefits are by far the greatest cost in any municipal budget. Through the collective bargaining process, the City will continue to negotiate for productivity savings and adjustments to costly contract provisions. In instances when negotiations may move to the compulsory arbitration level, we will provide these certified multi-year projections to the arbitrator as independent evidence of the City's ability to pay.

### **General Fund**

The 2007-08 City of Syracuse approved spending plan included several new policy initiatives that will have a long term positive effect on future budgets. Summarizing the initiatives into strategic goals, their commonality places them into three broad goals.

1. Maximizing local revenues sources to reduce the burden on property taxpayers.
2. Reduction of annual operating costs
3. Community Cooperation to explore future opportunities to expand revenues, reduce cost or expand services.

#### **Goal 1: Maximizing Local Revenues**

##### **Local Actions:**

- By completing the financing for the expansion of the Carousel Mall, the project will provide both the City and County additional fee revenue over the next 12 years and when completed, the City will receive an increased percentage of the Sales Tax generated at the Mall. This project should stimulate additional investment in the area.

*Performance Measures:* The fee agreement is in place, the success in achieving this action is to monitor the project's schedule to ensure the timely opening of the expansion and the receipt of the additional sales tax revenues that are planned for fiscal year 2010-11. Another measurement will be the number of new permits issued for projects near the mall.

- By finalizing an agreement with Onondaga County over the construction of a new hotel adjacent to the County owned convention center

*Performance Measures:* Both sales tax revenue and parking revenue will increase with the completion of the hotel. Capital investment in the surrounding area which includes the Hotel Syracuse should increase building permit revenue.

- By implementing a new fee based residential inspection program for one and two family homes that are non-owner occupied, housing deficiencies can be identified sooner and corrective action taken. The city will have better information on its housing stock condition and can manage code compliance.

*Performance Measures:* The number of permits issued and inspection completed. The city has targeted to inspect all non-owner occupied homes over a four year period.

- By selling the City's Tax liens to a third party for collection.

*Performance Measures:* The performance measure will be the percentage bid between the face value of the tax liens and the actual value paid for the liens.

- By increasing our collection of unpaid parking ticket.

*Performance Measures:* The net revenue received from parking tickets that are over 120 days delinquent. The City will explore a booting system and public information program to stimulate people to pay their outstanding tickets.

## **Goal 2: Operating Costs Reduction**

### **Local Actions:**

- By purchasing a new asphalt plant.

*Performance Measures:* The project is expected to save the annual debt service costs from having a greater storage capacity, improved emissions control, reduction of operating time of the plant, improved quality of asphalt it produces and the flexible work scheduling of production and work crews. The DPW operating budget will see a reduction in consumption of 6,000 therms of natural gas saved from burner efficiency.

- By procuring and implementing an electronic time and attendance program at the Department of Public Works to provide better attendance records, less payroll mistakes and reduce the cost of producing the payroll.

*Performance Measures:* Will be a reduction in man hours needed to produce the weekly payroll.

## **Goal 3: Community Cooperation**

**Local Actions:**

- The City and Onondaga County will explore jointly the possibility of building an energy plant that would provide sufficient electricity for the County, City and the City School District.

*Performance Measures:* The City and County agreeing to a project that would stabilize future electric costs for the City and School District.

- The City will pursue grant funding to explore the feasibility of constructing a regional indoor firing range that would service law enforcement in and around Onondaga County. The City's plans to manage the facility and would construct the facility on City property.

*Performance Measures:* Securing State funding to hire a consultant to complete the study.

- The 2007-08 City Budget has set aside funding of \$150,000 for a feasibility study of public power for city taxpayers. The scope of the study will be finalized in 2007-08 and a vendor selected through the RFP bidding process.

*Performance Measures:* The measurable result will be the effective communication of the feasibility study results, the public dialogue from the community and any new public policy that materializes.

**Water Fund**

The 2007-08 City of Syracuse Water Fund Budget included two initiatives targeting operating cost reduction.

**Goal: Operating Costs Reduction****Local Actions:**

- By applying for and receiving grants to assist in financing and reconstruction of a \$40.4m water reservoir that is currently offline, yet important to the City's water distribution system. The Water Department will work with the design engineering firm to control project costs.

*Performance Measures:* Should the grants be secured project costs will be reduced by \$3.4m and therefore future water rate increases will be less than currently projected.

- By replacing all residential water meters over the next five years with the capability to read the meters remotely and collect the data electronically operating costs will be reduced. The savings will reduce two positions and accurate billing will generate additional revenue from error minimization and a reduction in accounts receivable.

*Performance Measures:* As meters are replaced billing information and meter locations will be updated resulting in fewer errors and improved collections resulting in a drop in our accounts receivable. Remote readers will eliminate human error and increase the number of meter that can be read in a day, thus reducing the number of meter-reader employees.

### **Sewer Fund**

The 2007-08 City of Syracuse Sewer Fund Budget has no unique initiative planned.

**Fiscal Improvement Plan – Worksheet:**



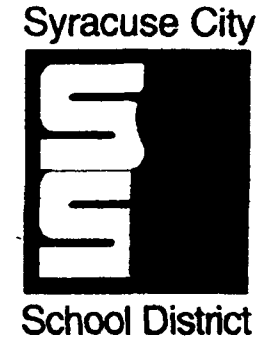


**Fiscal Accountability Report – Narrative:**

## **Fiscal Accountability Report – Narrative**

- The City of Syracuse closed out fiscal year 2006/07 without tapping into its Designated Fund Balance Account (\$9.3m) as was planned when the 2006/07 Budget was prepared. Each year the City maximizes its revenue opportunities and controls expenditures to set the basis for the current and future spending plans.
  - The City of Syracuse used its AIM Program aid to reduce the property tax burden of Syracuse residents by setting the 2007/08 City and School District tax rate at the 2006/07 level.
  - During the Capital Improvement Planning process projects are prioritized, other funding sources identified, and limits are set to minimize the impact on future budgets.
  - By effectively using overtime and holding vacancies in the Fire Department \$1.1m was generated in salary savings.
  - SyraStat compiled and analyzed the costs that the City spends to support downtown festivals and events, including regular time, overtime, fringe, and other costs by department. This was done to determine an adequate fee structure that could be implemented to cover all or a portion of City costs thereby reducing the burden on taxpayers.
  - Like many other rustbelt cities, Syracuse has been experiencing population decline over the past three decades. Our existing waste collection routes were originally designed to accommodate the substantially higher population of the 1970's. SyraStat recommended a route optimization study which is currently being undertaken by the Syracuse Metropolitan Transportation Council. SMTC is bearing the entire cost of the \$75,000 study. The city is only responsible for in-kind services such as assisting in data collection efforts. This has been implemented and is nearing completion.
  - SyraStat continues to track the projects and expenses of Operation CUSE (Clean Up Syracuse Everyday). Under this complaint-driven program, the City removes trash and debris from problematic properties that are threatening the quality of life in our neighborhoods. The City then bills the property owners for any costs incurred from the effort. SyraStat has recommended a new approach that will result in a higher collection rate than had been the case, thereby reducing the burden on taxpayers.
-

- Through the ProjectStat management system of capital projects and federal earmarks, the City has closed approximately 15 projects during FY06-07. To date, more than 120 projects have been completed through this system. At fiscal year end, there were 129 projects currently being tracked.
- Through municipal cooperation with Onondaga County three key agreements will have a major impact on future budgets, local employment opportunities, and the quality of life that Syracuse residents experience:
  1. The expansion of the Carousel Mall will provide both the City and County \$60m in additional fee revenue over the next 12 years and when completed, provide an increased local share of the Sales Tax generated at the Mall for the City of Syracuse.
  2. The City and Onondaga County have reached an agreement that is integral to the cleanup of Onondaga Lake. Syracuse will sell the County certain pieces of land that are needed for the project and effected neighborhoods will receive capital investment.
  3. The construction of a new Convention Center Hotel to stimulate our convention business.



# Syracuse City School District

## Financial Forecast

*2007-08 to 2010-11*

*Daniel G. Lowengard, Superintendent*  
*Joseph L. Rufo, Chief Financial Officer*

## Purpose

The primary purpose of this analysis is to:

- 1) Assist in determining how, over the next 4 years, to apportion the District's limited funding in such a way as to facilitate increased student achievement, higher test scores and improved graduation rates; and,
- 2) Help determine what size organization can be reasonably sustained given various assumptions of future revenue and expenditures.

Absent an increase in revenue and/or a reduction in spending the District will continue to face significant annual deficits. Given that approximately 80% of the District's funding is for personnel related costs, any effort to reduce spending to eliminate projected deficits will need to include a reduction in the number of positions.

## Revenue Assumptions (A and F)

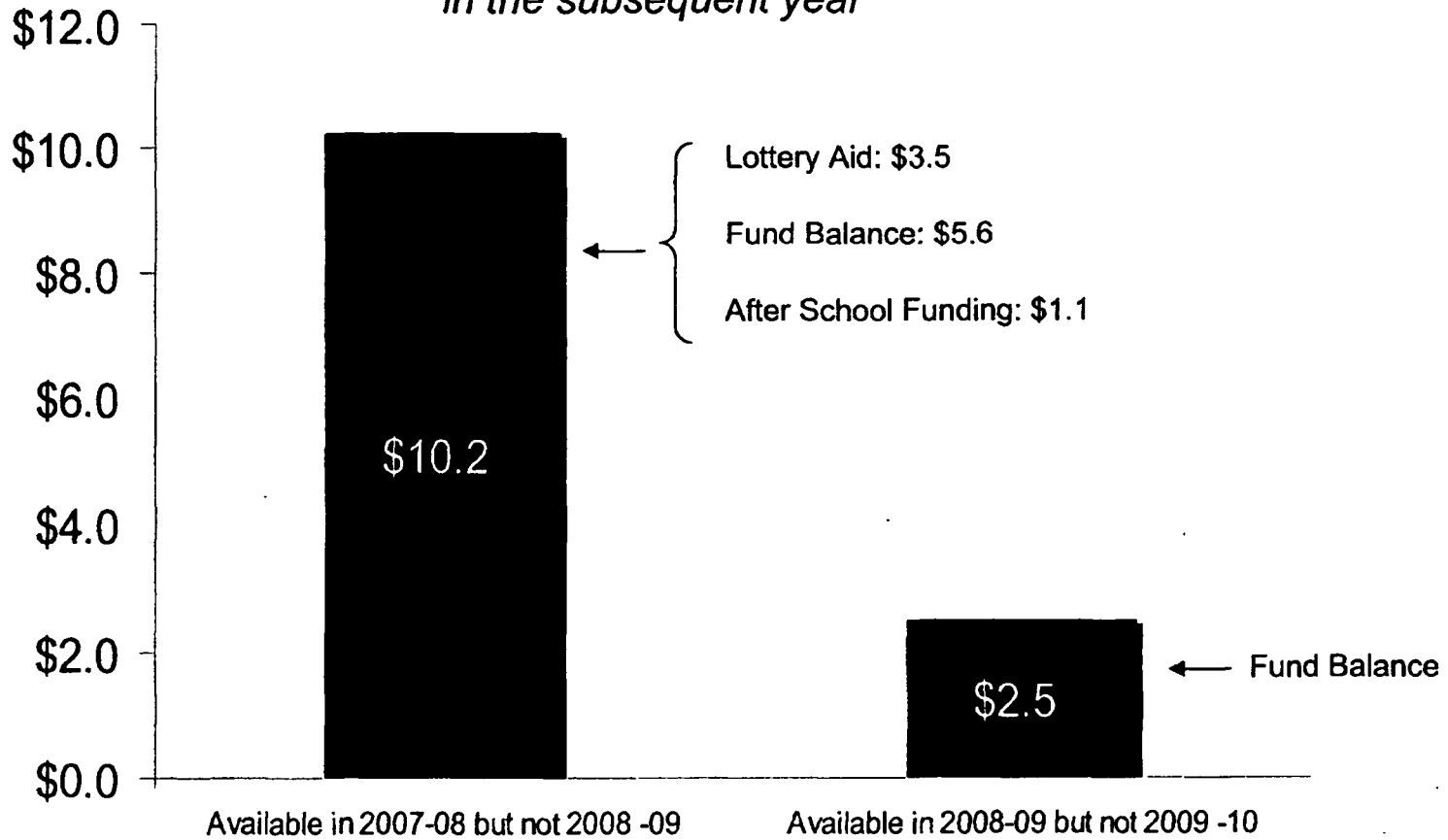
|                          | 2007-08        |                           |               | 2008-09        |                           |              | 2009-10        |                           |               | 2010-11        |                           |               |
|--------------------------|----------------|---------------------------|---------------|----------------|---------------------------|--------------|----------------|---------------------------|---------------|----------------|---------------------------|---------------|
|                          | SM's           | Change from Previous Year |               | SM's           | Change from Previous Year |              | SM's           | Change from Previous Year |               | SM's           | Change from Previous Year |               |
|                          |                | %                         | SM's          |                | %                         | SM's         |                | %                         | SM's          |                | %                         | SM's          |
| State Aid                | \$246.4        | 8.1%                      | \$22.7        | \$266.4        | 8.1%                      | \$20.0       | \$290.2        | 9.0%                      | \$23.8        | \$316.2        | 9.0%                      | \$26.0        |
| After School Funding     | \$1.1          | n/a                       | \$1.1         | \$0.0          | (100%)                    | (\$1.1)      | \$0.0          | 0.0%                      | \$0.0         | \$0.0          | 0.0%                      | \$0.0         |
| Local Property Taxes     | \$55.2         | 1.5%                      | \$0.8 (1)     | \$55.2         | 0.0%                      | \$0.0        | \$55.2         | 0.0%                      | \$0.0         | \$55.2         | 0.0%                      | \$0.0         |
| Use of Fund Balance      | \$8.1          | 210%                      | \$5.5         | \$2.5          | (69%)                     | (\$5.6)      | \$0.0          | (100%)                    | (\$2.5)       | \$0.0          | 0.0%                      | \$0.0         |
| Federal Aid (2)          | \$4.9          | 23%                       | \$0.9         | \$4.9          | 0.0%                      | \$0.0        | \$4.9          | 0.0%                      | \$0.0         | \$4.9          | 0.0%                      | \$0.0         |
| Sales Taxes              | \$4.2          | 2.5%                      | \$0.1         | \$4.3          | 2.5%                      | \$0.1        | \$4.4          | 2.5%                      | \$0.1         | \$4.5          | 2.5%                      | \$0.1         |
| Lottery Aid Advance      | \$3.5          | n/a                       | \$3.5         | \$0.0          | (100%)                    | (\$3.5)      | \$0.0          | 0.0%                      | \$0.0         | \$0.0          | 0.0%                      | \$0.0         |
| Special Programs Funding | \$69.3         | 0.0%                      | \$0.0         | \$69.3         | 0.0%                      | \$0.0        | \$69.3         | 0.0%                      | \$0.0         | \$69.3         | 0.0%                      | \$0.0         |
| Other                    | \$3.5          | 0.0%                      | \$0.0         | \$3.5          | 0.0%                      | \$0.0        | \$3.5          | 0.0%                      | \$0.0         | \$3.5          | 0.0%                      | \$0.0         |
| <b>TOTAL</b>             | <b>\$396.2</b> |                           | <b>\$33.5</b> | <b>\$406.1</b> | <b>2.5%</b>               | <b>\$9.9</b> | <b>\$427.5</b> | <b>5.3%</b>               | <b>\$21.4</b> | <b>\$453.6</b> | <b>6.1%</b>               | <b>\$26.1</b> |

(1) The change is the consequence of an increase in total assessment . There was no increase in the tax rate.

(2) Medicaid, ERATE

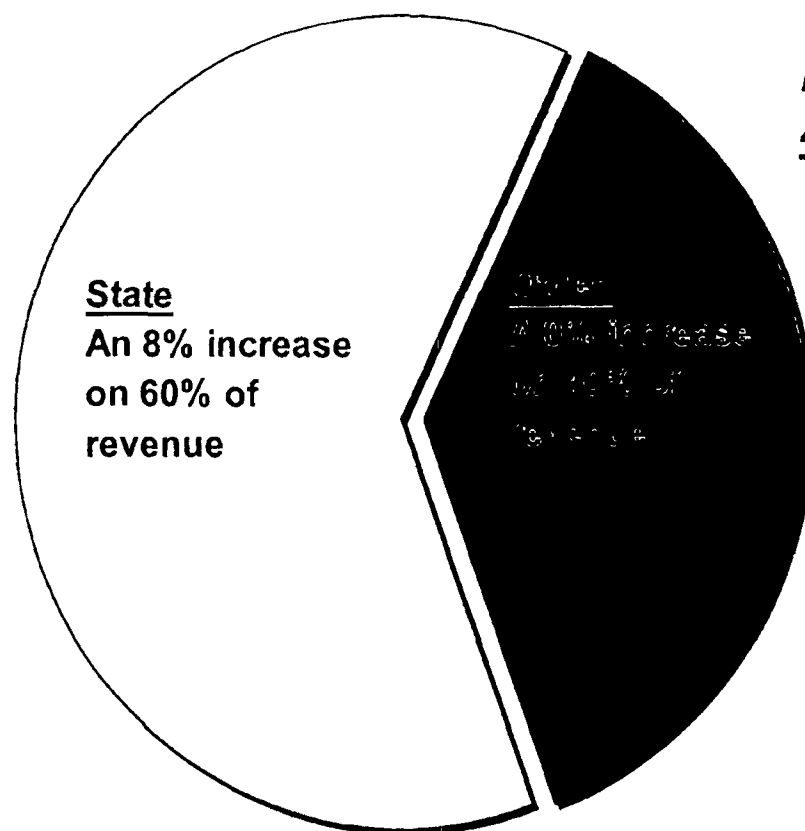
## Non Recurring Revenue In millions

*Funding which will not be available  
in the subsequent year*



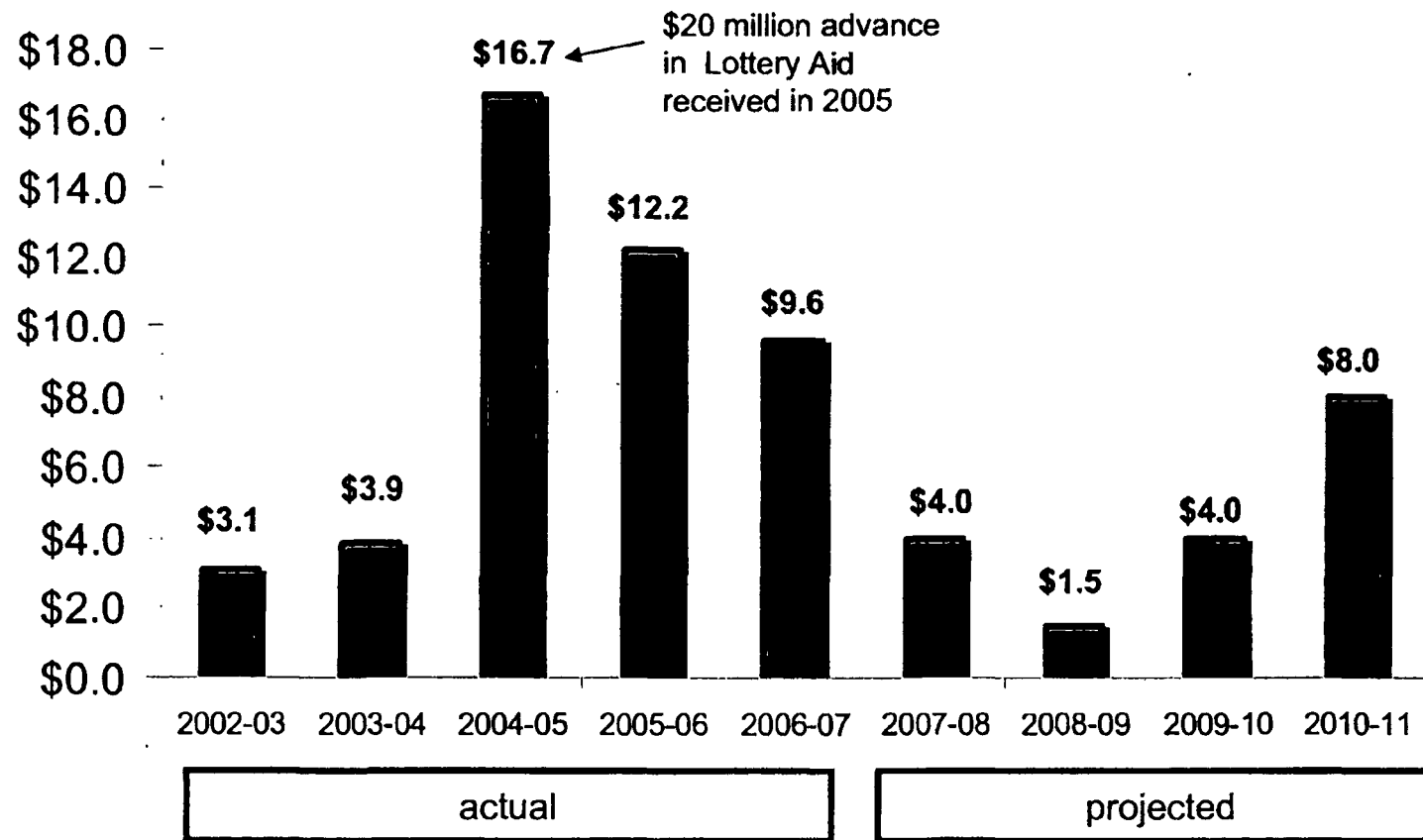


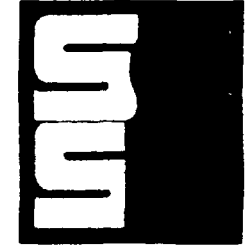
## The Effect of a Partial Increase in Funding



*Total revenue  
increases by about  
4.8% annually*

## Unreserved Fund Balance In millions





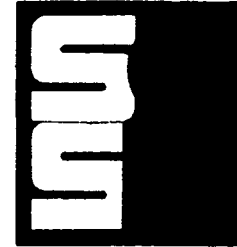
## Expenditure Assumptions (A and F)

|   | 2007-08 | 2008-09             |                      | 2009-10 |                | 2010-11 |                |
|---|---------|---------------------|----------------------|---------|----------------|---------|----------------|
|   | Change  | Change              |                      | Change  |                | Change  |                |
|   | %       | %                   | \$ in millions       | %       | \$ in millions | %       | \$ in millions |
| <b>Salary and Wages</b> <sup>(1)</sup>  | 4.5%    | 4.0%                | \$4.1                | 4.0%    | \$8.6          | 4.0%    | \$8.8          |
| <b>Employee Benefits</b> <sup>(2)</sup>   | 7.0%    | 7.5%                | \$4.5                | 7.5%    | \$7.3          | 7.5%    | \$7.8          |
| <b>Non-Labor</b>  | 3.5%    | 5.0% <sup>(3)</sup> | \$3.4 <sup>(3)</sup> | 3.5%    | \$2.5          | 3.5%    | \$2.6          |
| <b>Investment in Additional Time for Instruction and Professional Development</b> |         |                     | \$2.5                |         | \$3.8          |         | \$8.7          |

(1) All collective bargaining agreements to be negotiated.

(2) 7.0% to 7.5% represents a blended rate for all benefits. Health care costs are assumed to be increasing at an annual rate of 10%.

(3) 2008-09 will be the first year funding for the business system conversion is paid from expense related funds resulting in a higher than normal variance from the previous year.



## Forecast General Fund (A)

| <i>In millions of \$</i>              | 2007-08 <sup>(1)</sup><br>(final) | 2008-09  | 2009-10 | 2010-11 |
|---------------------------------------|-----------------------------------|----------|---------|---------|
| Revenue                               | \$326.9                           | \$336.8  | \$358.2 | \$384.3 |
| Expenditures                          | \$326.9                           | \$346.8  | \$355.7 | \$380.3 |
| (Deficit) or Surplus                  | \$0.0                             | (\$10.0) | \$2.5   | \$4.0   |
| FTE's                                 |                                   |          |         |         |
| Beginning                             |                                   | 3,477    | 3,379   | 3,416   |
| plus: F Fund Shift                    |                                   | 39       | 37      | 35      |
| minus: reduction to eliminate deficit |                                   | (137)    | 0       | 0       |
| Ending                                | 3,477                             | 3,379    | 3,416   | 3,451   |

(1) During the course of finalizing the 2007 – 08 General Fund budget, 56 FTE's added via a shift from the F fund while 68 positions were eliminated



Forecast  
Special Programs Fund (F)

| <i>In millions of \$</i> | <b>2007-08<br/>(final)</b> | <b>2008-09</b> | <b>2009-10</b> | <b>2010-11</b> |
|--------------------------|----------------------------|----------------|----------------|----------------|
| Revenue                  | \$69.3                     | \$69.3         | \$69.3         | \$69.3         |
| Expenditures             | \$69.3                     | \$72.4         | \$72.4         | \$72.4         |
| Surplus / (Deficit)      | \$0.0                      | (\$3.2)        | (\$3.2)        | (\$3.2)        |
| FTE's                    |                            |                |                |                |
| Beginning                |                            | 675            | 636            | 599            |
| minus: A Fund Shift      |                            | (39)           | (37)           | (35)           |
| Ending                   | 675                        | 636            | 599            | 564            |

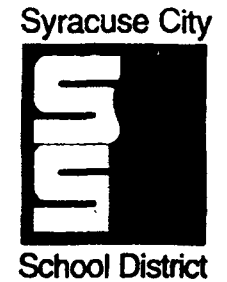


## Forecast Overall (A and F)

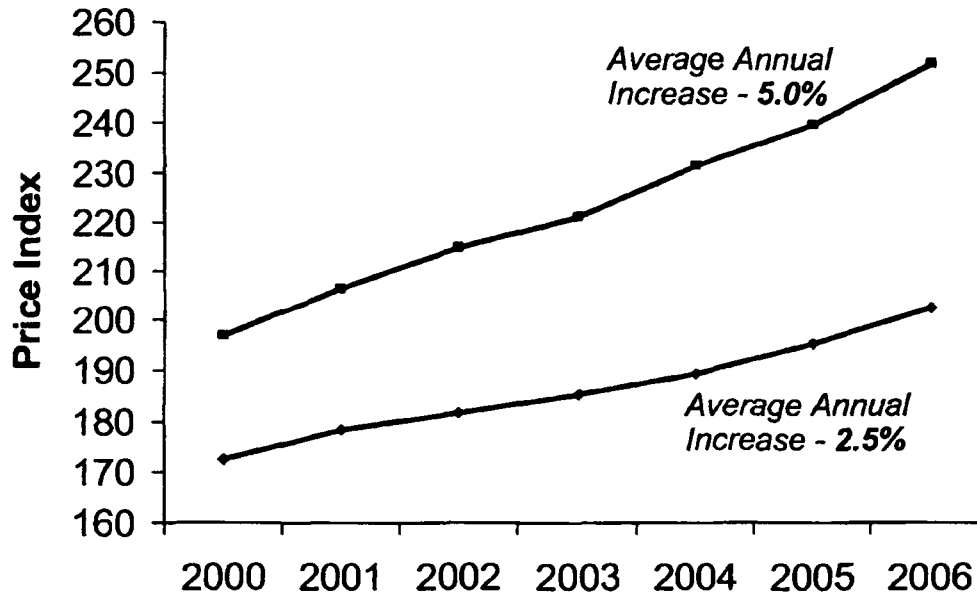
| <i>In millions of \$</i> | <b>2007-08</b> | <b>2008-09</b> | <b>2009-10</b> | <b>2010-11</b> |
|--------------------------|----------------|----------------|----------------|----------------|
| General Fund             | \$326.9        | \$336.8        | \$358.2        | \$384.3        |
| Special Programs Fund    | \$69.3         | \$69.3         | \$69.3         | \$69.3         |
| Total                    | \$396.2        | \$406.1        | \$427.5        | \$453.6        |
| Growth Rate              |                | 2.5% (1)       | 5.3%           | 6.1%           |
| FTEs                     | 4,152          | 4,015          | 4,015          | 4,015          |

(1) Includes the impact of a 137 position reduction.

# Why the Consumer Price Index is Not an Appropriate Metric for Educational Institutions



## Higher Education Price Index vs. Consumer Price Index



**HEPI:** the measure of the impact of price changes on goods and services typically purchased by Colleges

**CPI:** the measure of the impact of price changes on goods and services typically purchased by households

**HEPI** the average level in the prices of a market basket of goods and services purchased by Colleges.

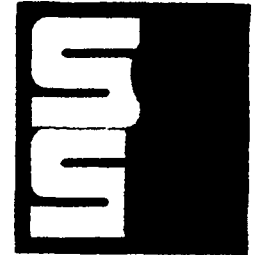
- Employee salaries and benefits
- Contracted services
- Communication
- Transportation
- Equipment and supplies
- Library Resources
- Utilities

Comparable to a K-12 Market Basket

**CPI** the average level in the prices of a market basket of goods and services purchased by households.

- Food and beverages
- Housing
- Apparel
- Medical Care
- Recreation
- Education
- Other

Syracuse City



School District

# Questions and Discussion



**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

## Total Issue Sources And Uses

Dated 02/01/2008 | Delivered 02/01/2008

|  | Aidable -<br>Reconstructi<br>on - Soft<br>Costs | Aidable -<br>Addition -<br>Soft Costs | Aidable -<br>Addition -<br>Central Tech | Non-<br>Aidable -<br>Addition -<br>Central<br>Tech | Issue<br>Summary       |
|--|---|---------------------------------------|---|--|------------------------|
| <b>Sources Of Funds</b>                    |   |                                       |   |  |                        |
| Par Amount of Bonds                        | \$6,635,000.00                                  | \$4,535,000.00                        | \$30,600,000.00                         | \$935,000.00                                       | \$42,705,000.00        |
| Reoffering Premium                         | 402,083.75                                      | 231,884.05                            | 1,441,819.00                            | 17,149.20  | 2,092,936.00           |
| <b>Total Sources</b>                       | <b>\$7,037,083.75</b>                           | <b>\$4,766,884.05</b>                 | <b>\$32,041,819.00</b>                  | <b>\$952,149.20</b>                                | <b>\$44,797,936.00</b> |
| <b>Uses Of Funds</b>                       |   |                                       |   |  |                        |
| Total Management Fees                      | 3,317.50  | 2,267.50                              | 15,300.00                               | 467.50   | 21,352.50              |
| Total Average Takedown                     | 19,905.00                                       | 13,605.00                             | 91,800.00                               | 2,805.00   | 128,115.00             |
| Underwriter's Counsel                      | 6,635.00  | 4,535.00                              | 30,600.00                               | 935.00   | 42,705.00              |
| SIFMA                                      | 199.05  | 136.05                                | 918.00                                  | 28.05  | 1,281.15               |
| Dalcomp                                    | 398.10  | 272.10                                | 1,836.00                                | 56.10  | 2,562.30               |
| DTC  | 13.27   | 9.07                                  | 61.20                                   | 1.87   | 85.41                  |
| CUSIP                                      | 19.91   | 13.61                                 | 91.80                                   | 2.81   | 128.12                 |
| Day Loan                                   | 185.78  | 126.98                                | 856.80                                  | 26.18  | 1,195.74               |
| Costs of Issuance                          | 77,684.10                                       | 53,096.83                             | 358,271.87                              | 10,947.20  | 500,000.00             |
| Gross Bond Insurance Premium               | 36,016.01                                       | 27,193.49                             | 172,436.83                              | 3,641.24   | 239,287.57             |
| Surety                                     | 13,004.52                                       | -                                     | 59,975.62                               | 1,832.59   | 74,812.73              |
| SBIC                                       | 46,122.15                                       | 31,524.33                             | 212,711.03                              | 6,499.51   | 296,857.02             |
| IDA Fee                                    | 33,175.00                                       | 22,675.00                             | 153,000.00                              | 4,675.00   | 213,525.00             |
| Deposit to Capitalized Interest (CIF) Fund | 831,466.42                                      | 573,911.49                            | -                                       | -  | 1,405,377.91           |
| Deposit to Project Construction Fund       | 5,964,812.00                                    | 4,035,188.00                          | 30,940,288.00                           | -  | 40,940,288.00          |
| Rounding Amount                            | 4,129.94  | 2,329.60                              | 3,671.85                                | 920,231.15   | 930,362.54             |
| <b>Total Uses</b>                          | <b>\$7,037,083.75</b>                           | <b>\$4,766,884.05</b>                 | <b>\$32,041,819.00</b>                  | <b>\$952,149.20</b>                                | <b>\$44,797,936.00</b> |

Phase I - Tranche 1 (15/20) | Issue Summary | 11/14/2007 | 5:45 PM

**\$42,705,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr)

## Pricing Summary

Part 1 of 2

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price      | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|------------|------------------------|
| 05/01/2009   | Serial Coupon | 4.000% | 3.390% | 895,000.00             | 100.736%   | 901,587.20             |
| 05/01/2010   | Serial Coupon | 4.000% | 3.420% | 1,025,000.00           | 101.241%   | 1,037,720.25           |
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 455,000.00             | 101.858%   | 463,453.90             |
| 05/01/2011   | Serial Coupon | 4.250% | 3.500% | 1,730,000.00           | 102.280%   | 1,769,444.00           |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 475,000.00             | 102.271%   | 485,787.25             |
| 05/01/2012   | Serial Coupon | 5.000% | 3.590% | 1,115,000.00           | 105.506%   | 1,176,391.90           |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 490,000.00             | 103.563%   | 507,458.70             |
| 05/01/2013   | Serial Coupon | 5.000% | 3.680% | 1,170,000.00           | 106.244%   | 1,243,054.80           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.760% | 1,225,000.00           | 106.843%   | 1,308,826.75           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 515,000.00             | 107.825%   | 555,298.75             |
| 05/01/2015   | Serial Coupon | 5.000% | 3.860% | 1,290,000.00           | 107.143%   | 1,382,144.70           |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 540,000.00             | 108.327%   | 584,965.80             |
| 05/01/2016   | Serial Coupon | 5.000% | 3.970% | 1,350,000.00           | 107.179%   | 1,446,916.50           |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 565,000.00             | 108.719%   | 614,262.35             |
| 05/01/2017   | Serial Coupon | 5.000% | 4.070% | 1,420,000.00           | 107.102%   | 1,520,848.40           |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 595,000.00             | 108.791%   | 647,306.45             |
| 05/01/2018   | Serial Coupon | 5.000% | 4.160% | 1,490,000.00           | 106.945%   | 1,593,480.50           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 625,000.00             | 108.598%   | 678,737.50             |
| 05/01/2019   | Serial Coupon | 5.000% | 4.250% | 1,565,000.00           | 106.173% c | 1,661,607.45           |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 655,000.00             | 107.724% c | 705,592.20             |
| 05/01/2020   | Serial Coupon | 5.000% | 4.310% | 1,645,000.00           | 105.661% c | 1,738,123.45           |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 685,000.00             | 106.945% c | 732,573.25             |
| 05/01/2021   | Serial Coupon | 5.000% | 4.370% | 1,725,000.00           | 105.153% c | 1,813,889.25           |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 725,000.00             | 106.173% c | 769,754.25             |
| 05/01/2022   | Serial Coupon | 5.000% | 4.420% | 1,810,000.00           | 104.732% c | 1,895,649.20           |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 760,000.00             | 105.661% c | 803,023.60             |
| 05/01/2023   | Serial Coupon | 5.000% | 4.470% | 1,905,000.00           | 104.313% c | 1,987,162.65           |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 795,000.00             | 105.153% c | 835,966.35             |
| 05/01/2024   | Serial Coupon | 5.000% | 4.510% | 2,000,000.00           | 103.979% c | 2,079,580.00           |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 840,000.00             | 104.732% c | 879,748.80             |
| 05/01/2025   | Serial Coupon | 5.000% | 4.550% | 2,095,000.00           | 103.646% c | 2,171,383.70           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 875,000.00             | 104.313% c | 912,738.75             |
| 05/01/2026   | Serial Coupon | 5.000% | 4.590% | 2,200,000.00           | 103.315% c | 2,272,930.00           |
| 05/01/2026   | Serial Coupon | 5.000% | 4.510% | 285,000.00             | 103.979% c | 296,340.15             |
| 05/01/2027   | Serial Coupon | 5.000% | 4.630% | 2,310,000.00           | 102.985% c | 2,378,953.50           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.550% | 300,000.00             | 103.646% c | 310,938.00             |
| 05/01/2028   | Serial Coupon | 5.000% | 4.650% | 1,570,000.00           | 102.820% c | 1,614,274.00           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.590% | 315,000.00             | 103.315% c | 325,442.25             |
| 05/01/2029   | Serial Coupon | 5.000% | 4.630% | 330,000.00             | 102.985% c | 339,850.50             |
| 05/01/2030   | Serial Coupon | 5.000% | 4.650% | 345,000.00             | 102.820% c | 354,729.00             |
| <b>Total</b> | -             | -      | -      | <b>\$42,705,000.00</b> | -          | <b>\$44,797,936.00</b> |

**\$42,705,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr)

## Pricing Summary

Part 2 of 2

### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$42,705,000.00 |
| Reoffering Premium or (Discount)      | 2,092,936.00    |
| Gross Production                      | \$44,797,936.00 |
| Total Underwriter's Discount (0.462%) | \$(197,425.23)  |
| Bid (104.439%)                        | 44,600,510.77   |
| Total Purchase Price                  | \$44,600,510.77 |
| Bond Year Dollars                     | \$515,871.25    |
| Average Life                          | 12.080 Years    |
| Average Coupon                        | 4.9746666%      |
| Net Interest Cost (NIC)               | 4.6072279%      |
| True Interest Cost (TIC)              | 4.4650131%      |

**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

## Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2008   | -                      | -        | -                      | -                      |
| 05/01/2009   | 895,000.00             | 4.000%   | 2,612,625.01           | 3,507,625.01           |
| 05/01/2010   | 1,025,000.00           | 4.000%   | 2,054,300.00           | 3,079,300.00           |
| 05/01/2011   | 2,185,000.00           | 4.198%   | 2,013,300.00           | 4,198,300.00           |
| 05/01/2012   | 1,590,000.00           | 4.701%   | 1,921,575.00           | 3,511,575.00           |
| 05/01/2013   | 1,660,000.00           | 4.779%   | 1,846,825.00           | 3,506,825.00           |
| 05/01/2014   | 1,740,000.00           | 5.000%   | 1,767,500.00           | 3,507,500.00           |
| 05/01/2015   | 1,830,000.00           | 5.000%   | 1,680,500.00           | 3,510,500.00           |
| 05/01/2016   | 1,915,000.00           | 5.000%   | 1,589,000.00           | 3,504,000.00           |
| 05/01/2017   | 2,015,000.00           | 5.000%   | 1,493,250.00           | 3,508,250.00           |
| 05/01/2018   | 2,115,000.00           | 5.000%   | 1,392,500.00           | 3,507,500.00           |
| 05/01/2019   | 2,220,000.00           | 5.000%   | 1,286,750.00           | 3,506,750.00           |
| 05/01/2020   | 2,330,000.00           | 5.000%   | 1,175,750.00           | 3,505,750.00           |
| 05/01/2021   | 2,450,000.00           | 5.000%   | 1,059,250.00           | 3,509,250.00           |
| 05/01/2022   | 2,570,000.00           | 5.000%   | 936,750.00             | 3,506,750.00           |
| 05/01/2023   | 2,700,000.00           | 5.000%   | 808,250.00             | 3,508,250.00           |
| 05/01/2024   | 2,840,000.00           | 5.000%   | 673,250.00             | 3,513,250.00           |
| 05/01/2025   | 2,970,000.00           | 5.000%   | 531,250.00             | 3,501,250.00           |
| 05/01/2026   | 2,485,000.00           | 5.000%   | 382,750.00             | 2,867,750.00           |
| 05/01/2027   | 2,610,000.00           | 5.000%   | 258,500.00             | 2,868,500.00           |
| 05/01/2028   | 1,885,000.00           | 5.000%   | 128,000.00             | 2,013,000.00           |
| 05/01/2029   | 330,000.00             | 5.000%   | 33,750.00              | 363,750.00             |
| 05/01/2030   | 345,000.00             | 5.000%   | 17,250.00              | 362,250.00             |
| <b>Total</b> | <b>\$42,705,000.00</b> | <b>-</b> | <b>\$25,662,875.01</b> | <b>\$68,367,875.01</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$515,871.25 |
| Average Life                      | 12.080 Years |
| Average Coupon                    | 4.9746666%   |
| Net Interest Cost (NIC)           | 4.6072279%   |
| True Interest Cost (TIC)          | 4.4650131%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.8110155%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.3629560%   |
| Weighted Average Maturity | 12.059 Years |

**\$42,705,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr)

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2008 | -            | -      | -            | -            | -            |
| 11/01/2008 | -            | -      | 1,567,575.01 | 1,567,575.01 | -            |
| 05/01/2009 | 895,000.00   | 4.000% | 1,045,050.00 | 1,940,050.00 | 3,507,625.01 |
| 11/01/2009 | -            | -      | 1,027,150.00 | 1,027,150.00 | -            |
| 05/01/2010 | 1,025,000.00 | 4.000% | 1,027,150.00 | 2,052,150.00 | 3,079,300.00 |
| 11/01/2010 | -            | -      | 1,006,650.00 | 1,006,650.00 | -            |
| 05/01/2011 | 2,185,000.00 | 4.198% | 1,006,650.00 | 3,191,650.00 | 4,198,300.00 |
| 11/01/2011 | -            | -      | 960,787.50   | 960,787.50   | -            |
| 05/01/2012 | 1,590,000.00 | 4.701% | 960,787.50   | 2,550,787.50 | 3,511,575.00 |
| 11/01/2012 | -            | -      | 923,412.50   | 923,412.50   | -            |
| 05/01/2013 | 1,660,000.00 | 4.779% | 923,412.50   | 2,583,412.50 | 3,506,825.00 |
| 11/01/2013 | -            | -      | 883,750.00   | 883,750.00   | -            |
| 05/01/2014 | 1,740,000.00 | 5.000% | 883,750.00   | 2,623,750.00 | 3,507,500.00 |
| 11/01/2014 | -            | -      | 840,250.00   | 840,250.00   | -            |
| 05/01/2015 | 1,830,000.00 | 5.000% | 840,250.00   | 2,670,250.00 | 3,510,500.00 |
| 11/01/2015 | -            | -      | 794,500.00   | 794,500.00   | -            |
| 05/01/2016 | 1,915,000.00 | 5.000% | 794,500.00   | 2,709,500.00 | 3,504,000.00 |
| 11/01/2016 | -            | -      | 746,625.00   | 746,625.00   | -            |
| 05/01/2017 | 2,015,000.00 | 5.000% | 746,625.00   | 2,761,625.00 | 3,508,250.00 |
| 11/01/2017 | -            | -      | 696,250.00   | 696,250.00   | -            |
| 05/01/2018 | 2,115,000.00 | 5.000% | 696,250.00   | 2,811,250.00 | 3,507,500.00 |
| 11/01/2018 | -            | -      | 643,375.00   | 643,375.00   | -            |
| 05/01/2019 | 2,220,000.00 | 5.000% | 643,375.00   | 2,863,375.00 | 3,506,750.00 |
| 11/01/2019 | -            | -      | 587,875.00   | 587,875.00   | -            |
| 05/01/2020 | 2,330,000.00 | 5.000% | 587,875.00   | 2,917,875.00 | 3,505,750.00 |
| 11/01/2020 | -            | -      | 529,625.00   | 529,625.00   | -            |
| 05/01/2021 | 2,450,000.00 | 5.000% | 529,625.00   | 2,979,625.00 | 3,509,250.00 |
| 11/01/2021 | -            | -      | 468,375.00   | 468,375.00   | -            |
| 05/01/2022 | 2,570,000.00 | 5.000% | 468,375.00   | 3,038,375.00 | 3,506,750.00 |
| 11/01/2022 | -            | -      | 404,125.00   | 404,125.00   | -            |
| 05/01/2023 | 2,700,000.00 | 5.000% | 404,125.00   | 3,104,125.00 | 3,508,250.00 |
| 11/01/2023 | -            | -      | 336,625.00   | 336,625.00   | -            |
| 05/01/2024 | 2,840,000.00 | 5.000% | 336,625.00   | 3,176,625.00 | 3,513,250.00 |
| 11/01/2024 | -            | -      | 265,625.00   | 265,625.00   | -            |
| 05/01/2025 | 2,970,000.00 | 5.000% | 265,625.00   | 3,235,625.00 | 3,501,250.00 |
| 11/01/2025 | -            | -      | 191,375.00   | 191,375.00   | -            |
| 05/01/2026 | 2,485,000.00 | 5.000% | 191,375.00   | 2,676,375.00 | 2,867,750.00 |
| 11/01/2026 | -            | -      | 129,250.00   | 129,250.00   | -            |
| 05/01/2027 | 2,610,000.00 | 5.000% | 129,250.00   | 2,739,250.00 | 2,868,500.00 |
| 11/01/2027 | -            | -      | 64,000.00    | 64,000.00    | -            |
| 05/01/2028 | 1,885,000.00 | 5.000% | 64,000.00    | 1,949,000.00 | 2,013,000.00 |
| 11/01/2028 | -            | -      | 16,875.00    | 16,875.00    | -            |

**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2029   | 330,000.00             | 5.000%   | 16,875.00              | 346,875.00             | 363,750.00   |
| 11/01/2029   | -                      | -        | 8,625.00               | 8,625.00               | -            |
| 05/01/2030   | 345,000.00             | 5.000%   | 8,625.00               | 353,625.00             | 362,250.00   |
| <b>Total</b> | <b>\$42,705,000.00</b> | <b>-</b> | <b>\$25,662,875.01</b> | <b>\$68,367,875.01</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$515,871.25 |
| Average Life                      | 12.080 Years |
| Average Coupon                    | 4.9746666%   |
| Net Interest Cost (NIC)           | 4.6072279%   |
| True Interest Cost (TIC)          | 4.4650131%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.8110155%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.3629560%   |
| Weighted Average Maturity | 12.059 Years |

**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

### Net Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              | CIF                   | Net New D/S            | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|-----------------------|------------------------|--------------|
| 02/01/2008   | -                      | -        | -                      | -                      | -                     | -                      | -            |
| 11/01/2008   | -                      | -        | 1,567,575.01           | 1,567,575.01           | (409,143.75)          | 1,158,431.26           | -            |
| 05/01/2009   | 895,000.00             | 4.000%   | 1,045,050.00           | 1,940,050.00           | (272,762.50)          | 1,667,287.50           | 2,825,718.76 |
| 11/01/2009   | -                      | -        | 1,027,150.00           | 1,027,150.00           | (272,762.50)          | 754,387.50             | -            |
| 05/01/2010   | 1,025,000.00           | 4.000%   | 1,027,150.00           | 2,052,150.00           | (272,762.50)          | 1,779,387.50           | 2,533,775.00 |
| 11/01/2010   | -                      | -        | 1,006,650.00           | 1,006,650.00           | (272,762.50)          | 733,887.50             | -            |
| 05/01/2011   | 2,185,000.00           | 4.198%   | 1,006,650.00           | 3,191,650.00           | -                     | 3,191,650.00           | 3,925,537.50 |
| 11/01/2011   | -                      | -        | 960,787.50             | 960,787.50             | -                     | 960,787.50             | -            |
| 05/01/2012   | 1,590,000.00           | 4.701%   | 960,787.50             | 2,550,787.50           | -                     | 2,550,787.50           | 3,511,575.00 |
| 11/01/2012   | -                      | -        | 923,412.50             | 923,412.50             | -                     | 923,412.50             | -            |
| 05/01/2013   | 1,660,000.00           | 4.779%   | 923,412.50             | 2,583,412.50           | -                     | 2,583,412.50           | 3,506,825.00 |
| 11/01/2013   | -                      | -        | 883,750.00             | 883,750.00             | -                     | 883,750.00             | -            |
| 05/01/2014   | 1,740,000.00           | 5.000%   | 883,750.00             | 2,623,750.00           | -                     | 2,623,750.00           | 3,507,500.00 |
| 11/01/2014   | -                      | -        | 840,250.00             | 840,250.00             | -                     | 840,250.00             | -            |
| 05/01/2015   | 1,830,000.00           | 5.000%   | 840,250.00             | 2,670,250.00           | -                     | 2,670,250.00           | 3,510,500.00 |
| 11/01/2015   | -                      | -        | 794,500.00             | 794,500.00             | -                     | 794,500.00             | -            |
| 05/01/2016   | 1,915,000.00           | 5.000%   | 794,500.00             | 2,709,500.00           | -                     | 2,709,500.00           | 3,504,000.00 |
| 11/01/2016   | -                      | -        | 746,625.00             | 746,625.00             | -                     | 746,625.00             | -            |
| 05/01/2017   | 2,015,000.00           | 5.000%   | 746,625.00             | 2,761,625.00           | -                     | 2,761,625.00           | 3,508,250.00 |
| 11/01/2017   | -                      | -        | 696,250.00             | 696,250.00             | -                     | 696,250.00             | -            |
| 05/01/2018   | 2,115,000.00           | 5.000%   | 696,250.00             | 2,811,250.00           | -                     | 2,811,250.00           | 3,507,500.00 |
| 11/01/2018   | -                      | -        | 643,375.00             | 643,375.00             | -                     | 643,375.00             | -            |
| 05/01/2019   | 2,220,000.00           | 5.000%   | 643,375.00             | 2,863,375.00           | -                     | 2,863,375.00           | 3,506,750.00 |
| 11/01/2019   | -                      | -        | 587,875.00             | 587,875.00             | -                     | 587,875.00             | -            |
| 05/01/2020   | 2,330,000.00           | 5.000%   | 587,875.00             | 2,917,875.00           | -                     | 2,917,875.00           | 3,505,750.00 |
| 11/01/2020   | -                      | -        | 529,625.00             | 529,625.00             | -                     | 529,625.00             | -            |
| 05/01/2021   | 2,450,000.00           | 5.000%   | 529,625.00             | 2,979,625.00           | -                     | 2,979,625.00           | 3,509,250.00 |
| 11/01/2021   | -                      | -        | 468,375.00             | 468,375.00             | -                     | 468,375.00             | -            |
| 05/01/2022   | 2,570,000.00           | 5.000%   | 468,375.00             | 3,038,375.00           | -                     | 3,038,375.00           | 3,506,750.00 |
| 11/01/2022   | -                      | -        | 404,125.00             | 404,125.00             | -                     | 404,125.00             | -            |
| 05/01/2023   | 2,700,000.00           | 5.000%   | 404,125.00             | 3,104,125.00           | -                     | 3,104,125.00           | 3,508,250.00 |
| 11/01/2023   | -                      | -        | 336,625.00             | 336,625.00             | -                     | 336,625.00             | -            |
| 05/01/2024   | 2,840,000.00           | 5.000%   | 336,625.00             | 3,176,625.00           | -                     | 3,176,625.00           | 3,513,250.00 |
| 11/01/2024   | -                      | -        | 265,625.00             | 265,625.00             | -                     | 265,625.00             | -            |
| 05/01/2025   | 2,970,000.00           | 5.000%   | 265,625.00             | 3,235,625.00           | -                     | 3,235,625.00           | 3,501,250.00 |
| 11/01/2025   | -                      | -        | 191,375.00             | 191,375.00             | -                     | 191,375.00             | -            |
| 05/01/2026   | 2,485,000.00           | 5.000%   | 191,375.00             | 2,676,375.00           | -                     | 2,676,375.00           | 2,867,750.00 |
| 11/01/2026   | -                      | -        | 129,250.00             | 129,250.00             | -                     | 129,250.00             | -            |
| 05/01/2027   | 2,610,000.00           | 5.000%   | 129,250.00             | 2,739,250.00           | -                     | 2,739,250.00           | 2,868,500.00 |
| 11/01/2027   | -                      | -        | 64,000.00              | 64,000.00              | -                     | 64,000.00              | -            |
| 05/01/2028   | 1,885,000.00           | 5.000%   | 64,000.00              | 1,949,000.00           | -                     | 1,949,000.00           | 2,013,000.00 |
| 11/01/2028   | -                      | -        | 16,875.00              | 16,875.00              | -                     | 16,875.00              | -            |
| 05/01/2029   | 330,000.00             | 5.000%   | 16,875.00              | 346,875.00             | -                     | 346,875.00             | 363,750.00   |
| 11/01/2029   | -                      | -        | 8,625.00               | 8,625.00               | -                     | 8,625.00               | -            |
| 05/01/2030   | 345,000.00             | 5.000%   | 8,625.00               | 353,625.00             | -                     | 353,625.00             | 362,250.00   |
| <b>Total</b> | <b>\$42,705,000.00</b> | <b>-</b> | <b>\$25,662,875.01</b> | <b>\$68,367,875.01</b> | <b>(1,500,193.75)</b> | <b>\$66,867,681.26</b> | <b>-</b>     |

Phase I - Tranche 1 (15/2) | Issue Summary | 11/14/2007 | 4:55 PM

**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

### Operation Of Project Construction Fund

| Date         | Principal            | Rate     | Receipts             | Disbursements        | Cash Balance |
|--------------|----------------------|----------|----------------------|----------------------|--------------|
| 02/01/2008   | 40,940,288.00        | -        | 40,940,288.00        | 40,940,288.00        | -            |
| <b>Total</b> | <b>40,940,288.00</b> | <b>-</b> | <b>40,940,288.00</b> | <b>40,940,288.00</b> | <b>-</b>     |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |               |
|--|---------------|
| Cost of Investments Purchased with Bond Proceeds | 40,940,288.00 |
| Total Cost of Investments                        | 40,940,288.00 |
| Target Cost of Investments at bond yield         | 40,940,288.00 |
| Yield to Receipt                                 | -             |
| Yield for Arbitrage Purposes                     | 4.3659509%    |



**\$42,705,000**

City of Syracuse  
SIDA Bonds  
Tranche 1 (15/20 yr)

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest           | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|--------------------|-----------------------|-----------------------|--------------|
| 02/01/2008   | -                     | -          | -                  | 0.05                  | -                     | 0.05         |
| 05/01/2008   | (13,984.20)           | 4.0000000% | 13,984.20          | -                     | -                     | 0.05         |
| 11/01/2008   | 380,756.49            | 4.0000000% | 28,387.24          | 409,143.73            | 409,143.75            | 0.03         |
| 05/01/2009   | 251,990.39            | 4.0000000% | 20,772.11          | 272,762.50            | 272,762.50            | 0.03         |
| 11/01/2009   | 257,030.18            | 4.0000000% | 15,732.30          | 272,762.48            | 272,762.50            | 0.01         |
| 05/01/2010   | 262,170.79            | 4.0000000% | 10,591.70          | 272,762.49            | 272,762.50            | -            |
| 11/01/2010   | 267,414.21            | 4.0000000% | 5,348.29           | 272,762.50            | 272,762.50            | -            |
| <b>Total</b> | <b>\$1,405,377.86</b> | <b>-</b>   | <b>\$94,815.84</b> | <b>\$1,500,193.75</b> | <b>\$1,500,193.75</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.05           |
| Cost of Investments Purchased with Bond Proceeds | 1,405,377.86   |
| Total Cost of Investments                        | \$1,405,377.91 |
| Target Cost of Investments at bond yield         | \$1,397,155.92 |
| Actual positive or (negative) arbitrage          | (8,221.99)     |
| Yield to Receipt                                 | 3.9999998%     |
| Yield for Arbitrage Purposes                     | 4.3659509%     |

#### Composition Of Initial Deposit

|   |              |
|---|--------------|
| Original Bond Proceeds                      | 1,405,377.91 |
| Accrued Interest                            | -            |
| Cash Contribution and Prior Issue Transfers | -            |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|-----------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 315,000.00            | 101.858% | 320,852.70            |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 330,000.00            | 102.271% | 337,494.30            |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 340,000.00            | 103.563% | 352,114.20            |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 355,000.00            | 107.825% | 382,778.75            |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 375,000.00            | 108.327% | 406,226.25            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 390,000.00            | 108.719% | 424,004.10            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 410,000.00            | 108.791% | 446,043.10            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 430,000.00            | 108.598% | 466,971.40            |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 455,000.00            | 107.724% | 490,144.20            |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 475,000.00            | 106.945% | 507,988.75            |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 500,000.00            | 106.173% | 530,865.00            |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 525,000.00            | 105.661% | 554,720.25            |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 550,000.00            | 105.153% | 578,341.50            |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 580,000.00            | 104.732% | 607,445.60            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 605,000.00            | 104.313% | 631,093.65            |
| <b>Total</b> | -             | -      | -      | <b>\$6,635,000.00</b> | -        | <b>\$7,037,083.75</b> |

#### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$6,635,000.00 |
| Reoffering Premium or (Discount)      | 402,083.75     |
| Gross Production                      | \$7,037,083.75 |
| Total Underwriter's Discount (0.462%) | \$(30,673.61)  |
| Bid (105.598%)                        | 7,006,410.14   |
| Total Purchase Price                  | \$7,006,410.14 |
| Bond Year Dollars                     | \$73,858.75    |
| Average Life                          | 11.132 Years   |
| Average Coupon                        | 4.9490243%     |
| Net Interest Cost (NIC)               | 4.4461589%     |
| True Interest Cost (TIC)              | 4.2820323%     |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

## Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I              |
|--------------|-----------------------|----------|-----------------------|------------------------|
| 05/01/2008   | -                     | -        | -                     | -                      |
| 05/01/2009   | -                     | -        | 403,437.50            | 403,437.50             |
| 05/01/2010   | -                     | -        | 322,750.00            | 322,750.00             |
| 05/01/2011   | 315,000.00            | 4.000%   | 322,750.00            | 637,750.00             |
| 05/01/2012   | 330,000.00            | 4.000%   | 310,150.00            | 640,150.00             |
| 05/01/2013   | 340,000.00            | 4.250%   | 296,950.00            | 636,950.00             |
| 05/01/2014   | 355,000.00            | 5.000%   | 282,500.00            | 637,500.00             |
| 05/01/2015   | 375,000.00            | 5.000%   | 264,750.00            | 639,750.00             |
| 05/01/2016   | 390,000.00            | 5.000%   | 246,000.00            | 636,000.00             |
| 05/01/2017   | 410,000.00            | 5.000%   | 226,500.00            | 636,500.00             |
| 05/01/2018   | 430,000.00            | 5.000%   | 206,000.00            | 636,000.00             |
| 05/01/2019   | 455,000.00            | 5.000%   | 184,500.00            | 639,500.00             |
| 05/01/2020   | 475,000.00            | 5.000%   | 161,750.00            | 636,750.00             |
| 05/01/2021   | 500,000.00            | 5.000%   | 138,000.00            | 638,000.00             |
| 05/01/2022   | 525,000.00            | 5.000%   | 113,000.00            | 638,000.00             |
| 05/01/2023   | 550,000.00            | 5.000%   | 86,750.00             | 636,750.00             |
| 05/01/2024   | 580,000.00            | 5.000%   | 59,250.00             | 639,250.00             |
| 05/01/2025   | 605,000.00            | 5.000%   | 30,250.00             | 635,250.00             |
| <b>Total</b> | <b>\$6,635,000.00</b> | <b>-</b> | <b>\$3,655,287.50</b> | <b>\$10,290,287.50</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$73,858.75  |
| Average Life                      | 11.132 Years |
| Average Coupon                    | 4.9490243%   |
| Net Interest Cost (NIC)           | 4.4461589%   |
| True Interest Cost (TIC)          | 4.2820323%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.6386832%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1533941%   |
| Weighted Average Maturity | 11.131 Years |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal  | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|------------|--------|------------|------------|--------------|
| 02/01/2008 | -          | -      | -          | -          | -            |
| 11/01/2008 | -          | -      | 242,062.50 | 242,062.50 | -            |
| 05/01/2009 | -          | -      | 161,375.00 | 161,375.00 | -            |
| 06/30/2009 | -          | -      | -          | -          | 403,437.50   |
| 11/01/2009 | -          | -      | 161,375.00 | 161,375.00 | -            |
| 05/01/2010 | -          | -      | 161,375.00 | 161,375.00 | -            |
| 06/30/2010 | -          | -      | -          | -          | 322,750.00   |
| 11/01/2010 | -          | -      | 161,375.00 | 161,375.00 | -            |
| 05/01/2011 | 315,000.00 | 4.000% | 161,375.00 | 476,375.00 | -            |
| 06/30/2011 | -          | -      | -          | -          | 637,750.00   |
| 11/01/2011 | -          | -      | 155,075.00 | 155,075.00 | -            |
| 05/01/2012 | 330,000.00 | 4.000% | 155,075.00 | 485,075.00 | -            |
| 06/30/2012 | -          | -      | -          | -          | 640,150.00   |
| 11/01/2012 | -          | -      | 148,475.00 | 148,475.00 | -            |
| 05/01/2013 | 340,000.00 | 4.250% | 148,475.00 | 488,475.00 | -            |
| 06/30/2013 | -          | -      | -          | -          | 636,950.00   |
| 11/01/2013 | -          | -      | 141,250.00 | 141,250.00 | -            |
| 05/01/2014 | 355,000.00 | 5.000% | 141,250.00 | 496,250.00 | -            |
| 06/30/2014 | -          | -      | -          | -          | 637,500.00   |
| 11/01/2014 | -          | -      | 132,375.00 | 132,375.00 | -            |
| 05/01/2015 | 375,000.00 | 5.000% | 132,375.00 | 507,375.00 | -            |
| 06/30/2015 | -          | -      | -          | -          | 639,750.00   |
| 11/01/2015 | -          | -      | 123,000.00 | 123,000.00 | -            |
| 05/01/2016 | 390,000.00 | 5.000% | 123,000.00 | 513,000.00 | -            |
| 06/30/2016 | -          | -      | -          | -          | 636,000.00   |
| 11/01/2016 | -          | -      | 113,250.00 | 113,250.00 | -            |
| 05/01/2017 | 410,000.00 | 5.000% | 113,250.00 | 523,250.00 | -            |
| 06/30/2017 | -          | -      | -          | -          | 636,500.00   |
| 11/01/2017 | -          | -      | 103,000.00 | 103,000.00 | -            |
| 05/01/2018 | 430,000.00 | 5.000% | 103,000.00 | 533,000.00 | -            |
| 06/30/2018 | -          | -      | -          | -          | 636,000.00   |
| 11/01/2018 | -          | -      | 92,250.00  | 92,250.00  | -            |
| 05/01/2019 | 455,000.00 | 5.000% | 92,250.00  | 547,250.00 | -            |
| 06/30/2019 | -          | -      | -          | -          | 639,500.00   |
| 11/01/2019 | -          | -      | 80,875.00  | 80,875.00  | -            |
| 05/01/2020 | 475,000.00 | 5.000% | 80,875.00  | 555,875.00 | -            |
| 06/30/2020 | -          | -      | -          | -          | 636,750.00   |
| 11/01/2020 | -          | -      | 69,000.00  | 69,000.00  | -            |
| 05/01/2021 | 500,000.00 | 5.000% | 69,000.00  | 569,000.00 | -            |
| 06/30/2021 | -          | -      | -          | -          | 638,000.00   |
| 11/01/2021 | -          | -      | 56,500.00  | 56,500.00  | -            |
| 05/01/2022 | 525,000.00 | 5.000% | 56,500.00  | 581,500.00 | -            |
| 06/30/2022 | -          | -      | -          | -          | 638,000.00   |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal            | Coupon   | Interest              | Total P+I              | Fiscal Total |
|--------------|----------------------|----------|-----------------------|------------------------|--------------|
| 11/01/2022   | -                    | -        | 43,375.00             | 43,375.00              | -            |
| 05/01/2023   | 550,000.00           | 5.000%   | 43,375.00             | 593,375.00             | -            |
| 06/30/2023   | -                    | -        | -                     | -                      | 636,750.00   |
| 11/01/2023   | -                    | -        | 29,625.00             | 29,625.00              | -            |
| 05/01/2024   | 580,000.00           | 5.000%   | 29,625.00             | 609,625.00             | -            |
| 06/30/2024   | -                    | -        | -                     | -                      | 639,250.00   |
| 11/01/2024   | -                    | -        | 15,125.00             | 15,125.00              | -            |
| 05/01/2025   | 605,000.00           | 5.000%   | 15,125.00             | 620,125.00             | -            |
| 06/30/2025   | -                    | -        | -                     | -                      | 635,250.00   |
| <b>Total</b> | <b>56,635,000.00</b> | <b>-</b> | <b>\$3,655,287.50</b> | <b>\$10,290,287.50</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$73,858.75  |
| Average Life                      | 11.132 Years |
| Average Coupon                    | 4.9490243%   |
| Net Interest Cost (NIC)           | 4.4461589%   |
| True Interest Cost (TIC)          | 4.2820323%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.6386832%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1533941%   |
| Weighted Average Maturity | 11.131 Years |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

### Net Debt Service Schedule

Part 1 of 2

| Date       | Principal  | Coupon | Interest   | Total P+I  | CIF          | Net New D/S | Fiscal Total |
|------------|------------|--------|------------|------------|--------------|-------------|--------------|
| 02/01/2008 | -          | -      | -          | -          | -            | -           | -            |
| 11/01/2008 | -          | -      | 242,062.50 | 242,062.50 | (242,062.50) | -           | -            |
| 05/01/2009 | -          | -      | 161,375.00 | 161,375.00 | (161,375.00) | -           | -            |
| 11/01/2009 | -          | -      | 161,375.00 | 161,375.00 | (161,375.00) | -           | -            |
| 05/01/2010 | -          | -      | 161,375.00 | 161,375.00 | (161,375.00) | -           | -            |
| 11/01/2010 | -          | -      | 161,375.00 | 161,375.00 | (161,375.00) | -           | -            |
| 05/01/2011 | 315,000.00 | 4.000% | 161,375.00 | 476,375.00 | -            | 476,375.00  | -            |
| 06/30/2011 | -          | -      | -          | -          | -            | -           | 476,375.00   |
| 11/01/2011 | -          | -      | 155,075.00 | 155,075.00 | -            | 155,075.00  | -            |
| 05/01/2012 | 330,000.00 | 4.000% | 155,075.00 | 485,075.00 | -            | 485,075.00  | -            |
| 06/30/2012 | -          | -      | -          | -          | -            | -           | 640,150.00   |
| 11/01/2012 | -          | -      | 148,475.00 | 148,475.00 | -            | 148,475.00  | -            |
| 05/01/2013 | 340,000.00 | 4.250% | 148,475.00 | 488,475.00 | -            | 488,475.00  | -            |
| 06/30/2013 | -          | -      | -          | -          | -            | -           | 636,950.00   |
| 11/01/2013 | -          | -      | 141,250.00 | 141,250.00 | -            | 141,250.00  | -            |
| 05/01/2014 | 355,000.00 | 5.000% | 141,250.00 | 496,250.00 | -            | 496,250.00  | -            |
| 06/30/2014 | -          | -      | -          | -          | -            | -           | 637,500.00   |
| 11/01/2014 | -          | -      | 132,375.00 | 132,375.00 | -            | 132,375.00  | -            |
| 05/01/2015 | 375,000.00 | 5.000% | 132,375.00 | 507,375.00 | -            | 507,375.00  | -            |
| 06/30/2015 | -          | -      | -          | -          | -            | -           | 639,750.00   |
| 11/01/2015 | -          | -      | 123,000.00 | 123,000.00 | -            | 123,000.00  | -            |
| 05/01/2016 | 390,000.00 | 5.000% | 123,000.00 | 513,000.00 | -            | 513,000.00  | -            |
| 06/30/2016 | -          | -      | -          | -          | -            | -           | 636,000.00   |
| 11/01/2016 | -          | -      | 113,250.00 | 113,250.00 | -            | 113,250.00  | -            |
| 05/01/2017 | 410,000.00 | 5.000% | 113,250.00 | 523,250.00 | -            | 523,250.00  | -            |
| 06/30/2017 | -          | -      | -          | -          | -            | -           | 636,500.00   |
| 11/01/2017 | -          | -      | 103,000.00 | 103,000.00 | -            | 103,000.00  | -            |
| 05/01/2018 | 430,000.00 | 5.000% | 103,000.00 | 533,000.00 | -            | 533,000.00  | -            |
| 06/30/2018 | -          | -      | -          | -          | -            | -           | 636,000.00   |
| 11/01/2018 | -          | -      | 92,250.00  | 92,250.00  | -            | 92,250.00   | -            |
| 05/01/2019 | 455,000.00 | 5.000% | 92,250.00  | 547,250.00 | -            | 547,250.00  | -            |
| 06/30/2019 | -          | -      | -          | -          | -            | -           | 639,500.00   |
| 11/01/2019 | -          | -      | 80,875.00  | 80,875.00  | -            | 80,875.00   | -            |
| 05/01/2020 | 475,000.00 | 5.000% | 80,875.00  | 555,875.00 | -            | 555,875.00  | -            |
| 06/30/2020 | -          | -      | -          | -          | -            | -           | 636,750.00   |
| 11/01/2020 | -          | -      | 69,000.00  | 69,000.00  | -            | 69,000.00   | -            |
| 05/01/2021 | 500,000.00 | 5.000% | 69,000.00  | 569,000.00 | -            | 569,000.00  | -            |
| 06/30/2021 | -          | -      | -          | -          | -            | -           | 638,000.00   |
| 11/01/2021 | -          | -      | 56,500.00  | 56,500.00  | -            | 56,500.00   | -            |
| 05/01/2022 | 525,000.00 | 5.000% | 56,500.00  | 581,500.00 | -            | 581,500.00  | -            |
| 06/30/2022 | -          | -      | -          | -          | -            | -           | 638,000.00   |
| 11/01/2022 | -          | -      | 43,375.00  | 43,375.00  | -            | 43,375.00   | -            |
| 05/01/2023 | 550,000.00 | 5.000% | 43,375.00  | 593,375.00 | -            | 593,375.00  | -            |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | CIF                 | Net New D/S           | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|---------------------|-----------------------|--------------|
| 06/30/2023   | -                     | -        | -                     | -                      | -                   | -                     | 636,750.00   |
| 11/01/2023   | -                     | -        | 29,625.00             | 29,625.00              | -                   | 29,625.00             | -            |
| 05/01/2024   | 580,000.00            | 5.000%   | 29,625.00             | 609,625.00             | -                   | 609,625.00            | -            |
| 06/30/2024   | -                     | -        | -                     | -                      | -                   | -                     | 639,250.00   |
| 11/01/2024   | -                     | -        | 15,125.00             | 15,125.00              | -                   | 15,125.00             | -            |
| 05/01/2025   | 605,000.00            | 5.000%   | 15,125.00             | 620,125.00             | -                   | 620,125.00            | -            |
| 06/30/2025   | -                     | -        | -                     | -                      | -                   | -                     | 635,250.00   |
| <b>Total</b> | <b>\$6,635,000.00</b> | <b>-</b> | <b>\$3,655,287.50</b> | <b>\$10,290,287.50</b> | <b>(887,562.50)</b> | <b>\$9,402,725.00</b> | <b>-</b>     |

**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

### Operation Of Project Construction Fund

| Date         | Principal             | Rate | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------|-----------------------|-----------------------|--------------|
| 02/01/2008   | 5,964,812.00          | -    | 5,964,812.00          | 5,964,812.00          | -            |
| <b>Total</b> | <b>\$5,964,812.00</b> | -    | <b>\$5,964,812.00</b> | <b>\$5,964,812.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model (PV, GIC, or Securities) | GIC          |
| Default investment yield target           | User Defined |

|  |                |
|--|----------------|
| Cost of Investments Purchased with Bond Proceeds | 5,964,812.00   |
| Total Cost of Investments                        | \$5,964,812.00 |
| Target Cost of Investments at bond yield         | \$5,964,812.00 |
| Yield to Receipt                                 | -              |
| Yield for Arbitrage Purposes                     | 4.3659509%     |



**\$6,635,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Reconstruction (Soft Costs)

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest           | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|--------------------|---------------------|---------------------|--------------|
| 02/01/2008   | -                   | 4.0000000% | -                  | 0.02                | -                   | 0.02         |
| 05/01/2008   | (8,273.50)          | 4.0000000% | 8,273.50           | -                   | -                   | 0.02         |
| 11/01/2008   | 225,267.69          | 4.0000000% | 16,794.80          | 242,062.49          | 242,062.50          | 0.01         |
| 05/01/2009   | 149,085.36          | 4.0000000% | 12,289.44          | 161,375.00          | 161,375.00          | 0.01         |
| 11/01/2009   | 152,067.26          | 4.0000000% | 9,307.73           | 161,374.99          | 161,375.00          | -            |
| 05/01/2010   | 155,108.61          | 4.0000000% | 6,266.39           | 161,375.00          | 161,375.00          | -            |
| 11/01/2010   | 158,210.78          | 4.0000000% | 3,164.22           | 161,375.00          | 161,375.00          | -            |
| <b>Total</b> | <b>\$831,466.40</b> | <b>-</b>   | <b>\$56,096.08</b> | <b>\$887,562.50</b> | <b>\$887,562.50</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model (PV, GIC, or Securities)        | GIC          |
| Default investment yield target                  | User Defined |
| Cash Deposit                                     | 0.02         |
| Cost of Investments Purchased with Bond Proceeds | 831,466.40   |
| Total Cost of Investments                        | \$831,466.42 |
| Target Cost of Investments at bond yield         | \$826,602.03 |
| Actual positive or (negative) arbitrage          | (4,864.39)   |
| Yield to Receipt                                 | 4.0000000%   |
| Yield for Arbitrage Purposes                     | 4.3659309%   |

#### Composition Of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 831,466.42 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|-----------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 140,000.00            | 101.858% | 142,601.20            |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 145,000.00            | 102.271% | 148,292.95            |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 150,000.00            | 103.563% | 155,344.50            |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 160,000.00            | 107.825% | 172,520.00            |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 165,000.00            | 108.327% | 178,739.55            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 175,000.00            | 108.719% | 190,258.25            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 185,000.00            | 108.791% | 201,263.35            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 195,000.00            | 108.598% | 211,766.10            |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 200,000.00            | 107.724% | 215,448.00            |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 210,000.00            | 106.945% | 224,584.50            |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 225,000.00            | 106.173% | 238,889.25            |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 235,000.00            | 105.661% | 248,303.35            |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 245,000.00            | 105.153% | 257,624.85            |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 260,000.00            | 104.732% | 272,303.20            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 270,000.00            | 104.313% | 281,645.10            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.510% | 285,000.00            | 103.979% | 296,340.15            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.550% | 300,000.00            | 103.646% | 310,938.00            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.590% | 315,000.00            | 103.315% | 325,442.25            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.630% | 330,000.00            | 102.985% | 339,850.50            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.650% | 345,000.00            | 102.820% | 354,729.00            |
| <b>Total</b> |               |        |        | <b>\$4,535,000.00</b> |          | <b>\$4,766,884.05</b> |

### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$4,535,000.00 |
| Reoffering Premium or (Discount)      | 231,884.05     |
| Gross Production                      | \$4,766,884.05 |
| Total Underwriter's Discount (0.462%) | \$(20,965.31)  |
| Bid (104.651%)                        | 4,745,918.74   |
| Total Purchase Price                  | \$4,745,918.74 |
| Bond Year Dollars                     | \$65,023.75    |
| Average Life                          | 14.338 Years   |
| Average Coupon                        | 4.9744420%     |
| Net Interest Cost (NIC)               | 4.6500702%     |
| True Interest Cost (TIC)              | 4.5046376%     |

Phase 1 - Tranche 1 (15/2 | Aidable - Addition - Soft | 11/14/2007 | 4:55 PM

DEPFA First Albany Securities LLC

Public Finance

Page 17

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I             |
|--------------|-----------------------|----------|-----------------------|-----------------------|
| 05/01/2008   | -                     | -        | -                     | -                     |
| 05/01/2009   | -                     | -        | 278,468.75            | 278,468.75            |
| 05/01/2010   | -                     | -        | 222,775.00            | 222,775.00            |
| 05/01/2011   | 140,000.00            | 4.000%   | 222,775.00            | 362,775.00            |
| 05/01/2012   | 145,000.00            | 4.000%   | 217,175.00            | 362,175.00            |
| 05/01/2013   | 150,000.00            | 4.250%   | 211,375.00            | 361,375.00            |
| 05/01/2014   | 160,000.00            | 5.000%   | 205,000.00            | 365,000.00            |
| 05/01/2015   | 165,000.00            | 5.000%   | 197,000.00            | 362,000.00            |
| 05/01/2016   | 175,000.00            | 5.000%   | 188,750.00            | 363,750.00            |
| 05/01/2017   | 185,000.00            | 5.000%   | 180,000.00            | 365,000.00            |
| 05/01/2018   | 195,000.00            | 5.000%   | 170,750.00            | 365,750.00            |
| 05/01/2019   | 200,000.00            | 5.000%   | 161,000.00            | 361,000.00            |
| 05/01/2020   | 210,000.00            | 5.000%   | 151,000.00            | 361,000.00            |
| 05/01/2021   | 225,000.00            | 5.000%   | 140,500.00            | 365,500.00            |
| 05/01/2022   | 235,000.00            | 5.000%   | 129,250.00            | 364,250.00            |
| 05/01/2023   | 245,000.00            | 5.000%   | 117,500.00            | 362,500.00            |
| 05/01/2024   | 260,000.00            | 5.000%   | 105,250.00            | 365,250.00            |
| 05/01/2025   | 270,000.00            | 5.000%   | 92,250.00             | 362,250.00            |
| 05/01/2026   | 285,000.00            | 5.000%   | 78,750.00             | 363,750.00            |
| 05/01/2027   | 300,000.00            | 5.000%   | 64,500.00             | 364,500.00            |
| 05/01/2028   | 315,000.00            | 5.000%   | 49,500.00             | 364,500.00            |
| 05/01/2029   | 330,000.00            | 5.000%   | 33,750.00             | 363,750.00            |
| 05/01/2030   | 345,000.00            | 5.000%   | 17,250.00             | 362,250.00            |
| <b>Total</b> | <b>\$4,535,000.00</b> | <b>-</b> | <b>\$3,234,568.75</b> | <b>\$7,769,568.75</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$65,023.75  |
| Average Life                      | 14.338 Years |
| Average Coupon                    | 4.9744420%   |
| Net Interest Cost (NIC)           | 4.6500702%   |
| True Interest Cost (TIC)          | 4.5046376%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.7943475%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4108841%   |
| Weighted Average Maturity | 14.281 Years |

Phase I - Tranche 1 (15/2 | Aidable - Addition - Soft | 11/14/2007 | 4:55 PM

DEPFA First Albany Securities LLC

Public Finance

Page 18

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal  | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|------------|--------|------------|------------|--------------|
| 02/01/2008 | -          | -      | -          | -          | -            |
| 11/01/2008 | -          | -      | 167,081.25 | 167,081.25 | -            |
| 05/01/2009 | -          | -      | 111,387.50 | 111,387.50 | -            |
| 06/30/2009 | -          | -      | -          | -          | 278,468.75   |
| 11/01/2009 | -          | -      | 111,387.50 | 111,387.50 | -            |
| 05/01/2010 | -          | -      | 111,387.50 | 111,387.50 | -            |
| 06/30/2010 | -          | -      | -          | -          | 222,775.00   |
| 11/01/2010 | -          | -      | 111,387.50 | 111,387.50 | -            |
| 05/01/2011 | 140,000.00 | 4.000% | 111,387.50 | 251,387.50 | -            |
| 06/30/2011 | -          | -      | -          | -          | 362,775.00   |
| 11/01/2011 | -          | -      | 108,587.50 | 108,587.50 | -            |
| 05/01/2012 | 145,000.00 | 4.000% | 108,587.50 | 253,587.50 | -            |
| 06/30/2012 | -          | -      | -          | -          | 362,175.00   |
| 11/01/2012 | -          | -      | 105,687.50 | 105,687.50 | -            |
| 05/01/2013 | 150,000.00 | 4.250% | 105,687.50 | 255,687.50 | -            |
| 06/30/2013 | -          | -      | -          | -          | 361,375.00   |
| 11/01/2013 | -          | -      | 102,500.00 | 102,500.00 | -            |
| 05/01/2014 | 160,000.00 | 5.000% | 102,500.00 | 262,500.00 | -            |
| 06/30/2014 | -          | -      | -          | -          | 365,000.00   |
| 11/01/2014 | -          | -      | 98,500.00  | 98,500.00  | -            |
| 05/01/2015 | 165,000.00 | 5.000% | 98,500.00  | 263,500.00 | -            |
| 06/30/2015 | -          | -      | -          | -          | 362,000.00   |
| 11/01/2015 | -          | -      | 94,375.00  | 94,375.00  | -            |
| 05/01/2016 | 175,000.00 | 5.000% | 94,375.00  | 269,375.00 | -            |
| 06/30/2016 | -          | -      | -          | -          | 363,750.00   |
| 11/01/2016 | -          | -      | 90,000.00  | 90,000.00  | -            |
| 05/01/2017 | 185,000.00 | 5.000% | 90,000.00  | 275,000.00 | -            |
| 06/30/2017 | -          | -      | -          | -          | 365,000.00   |
| 11/01/2017 | -          | -      | 85,375.00  | 85,375.00  | -            |
| 05/01/2018 | 195,000.00 | 5.000% | 85,375.00  | 280,375.00 | -            |
| 06/30/2018 | -          | -      | -          | -          | 365,750.00   |
| 11/01/2018 | -          | -      | 80,500.00  | 80,500.00  | -            |
| 05/01/2019 | 200,000.00 | 5.000% | 80,500.00  | 280,500.00 | -            |
| 06/30/2019 | -          | -      | -          | -          | 361,000.00   |
| 11/01/2019 | -          | -      | 75,500.00  | 75,500.00  | -            |
| 05/01/2020 | 210,000.00 | 5.000% | 75,500.00  | 285,500.00 | -            |
| 06/30/2020 | -          | -      | -          | -          | 361,000.00   |
| 11/01/2020 | -          | -      | 70,250.00  | 70,250.00  | -            |
| 05/01/2021 | 225,000.00 | 5.000% | 70,250.00  | 295,250.00 | -            |
| 06/30/2021 | -          | -      | -          | -          | 365,500.00   |
| 11/01/2021 | -          | -      | 64,625.00  | 64,625.00  | -            |
| 05/01/2022 | 235,000.00 | 5.000% | 64,625.00  | 299,625.00 | -            |
| 06/30/2022 | -          | -      | -          | -          | 364,250.00   |

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

## Debt Service Schedule

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I             | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|-----------------------|--------------|
| 11/01/2022   | -                     | -        | 58,750.00             | 58,750.00             | -            |
| 05/01/2023   | 245,000.00            | 5.000%   | 58,750.00             | 303,750.00            | -            |
| 06/30/2023   | -                     | -        | -                     | -                     | 362,500.00   |
| 11/01/2023   | -                     | -        | 52,625.00             | 52,625.00             | -            |
| 05/01/2024   | 260,000.00            | 5.000%   | 52,625.00             | 312,625.00            | -            |
| 06/30/2024   | -                     | -        | -                     | -                     | 365,250.00   |
| 11/01/2024   | -                     | -        | 46,125.00             | 46,125.00             | -            |
| 05/01/2025   | 270,000.00            | 5.000%   | 46,125.00             | 316,125.00            | -            |
| 06/30/2025   | -                     | -        | -                     | -                     | 362,250.00   |
| 11/01/2025   | -                     | -        | 39,375.00             | 39,375.00             | -            |
| 05/01/2026   | 285,000.00            | 5.000%   | 39,375.00             | 324,375.00            | -            |
| 06/30/2026   | -                     | -        | -                     | -                     | 363,750.00   |
| 11/01/2026   | -                     | -        | 32,250.00             | 32,250.00             | -            |
| 05/01/2027   | 300,000.00            | 5.000%   | 32,250.00             | 332,250.00            | -            |
| 06/30/2027   | -                     | -        | -                     | -                     | 364,500.00   |
| 11/01/2027   | -                     | -        | 24,750.00             | 24,750.00             | -            |
| 05/01/2028   | 315,000.00            | 5.000%   | 24,750.00             | 339,750.00            | -            |
| 06/30/2028   | -                     | -        | -                     | -                     | 364,500.00   |
| 11/01/2028   | -                     | -        | 16,875.00             | 16,875.00             | -            |
| 05/01/2029   | 330,000.00            | 5.000%   | 16,875.00             | 346,875.00            | -            |
| 06/30/2029   | -                     | -        | -                     | -                     | 363,750.00   |
| 11/01/2029   | -                     | -        | 8,625.00              | 8,625.00              | -            |
| 05/01/2030   | 345,000.00            | 5.000%   | 8,625.00              | 353,625.00            | -            |
| 06/30/2030   | -                     | -        | -                     | -                     | 362,250.00   |
| <b>Total</b> | <b>\$4,535,000.00</b> | <b>-</b> | <b>\$3,234,568.75</b> | <b>\$7,769,568.75</b> | <b>-</b>     |

### Yield Statistics

|                   |              |
|-------------------|--------------|
| Bond Year Dollars | \$65,023.75  |
| Average Life      | 14.338 Years |
| Average Coupon    | 4.9744420%   |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.6500702% |
| True Interest Cost (TIC)          | 4.5046376% |
| Bond Yield for Arbitrage Purposes | 4.3659509% |
| All Inclusive Cost (AIC)          | 4.7943475% |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4108841%   |
| Weighted Average Maturity | 14.281 Years |

Phase 1 - Tranche 1 (15/2 | Aidable - Addition - Soft | 11/14/2007 | 4:55 PM

DEPFA First Albany Securities LLC

Public Finance

Page 20

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

## Net Debt Service Schedule

Part 1 of 2

| Date       | Principal  | Coupon | Interest   | Total P+I  | CIF          | Net New D/S | Fiscal Total |
|------------|------------|--------|------------|------------|--------------|-------------|--------------|
| 02/01/2008 | -          | -      | -          | -          | -            | -           | -            |
| 11/01/2008 | -          | -      | 167,081.25 | 167,081.25 | (167,081.25) | -           | -            |
| 05/01/2009 | -          | -      | 111,387.50 | 111,387.50 | (111,387.50) | -           | -            |
| 11/01/2009 | -          | -      | 111,387.50 | 111,387.50 | (111,387.50) | -           | -            |
| 05/01/2010 | -          | -      | 111,387.50 | 111,387.50 | (111,387.50) | -           | -            |
| 11/01/2010 | -          | -      | 111,387.50 | 111,387.50 | (111,387.50) | -           | -            |
| 05/01/2011 | 140,000.00 | 4.000% | 111,387.50 | 251,387.50 | -            | 251,387.50  | -            |
| 06/30/2011 | -          | -      | -          | -          | -            | -           | 251,387.50   |
| 11/01/2011 | -          | -      | 108,587.50 | 108,587.50 | -            | 108,587.50  | -            |
| 05/01/2012 | 145,000.00 | 4.000% | 108,587.50 | 253,587.50 | -            | 253,587.50  | -            |
| 06/30/2012 | -          | -      | -          | -          | -            | -           | 362,175.00   |
| 11/01/2012 | -          | -      | 105,687.50 | 105,687.50 | -            | 105,687.50  | -            |
| 05/01/2013 | 150,000.00 | 4.250% | 105,687.50 | 255,687.50 | -            | 255,687.50  | -            |
| 06/30/2013 | -          | -      | -          | -          | -            | -           | 361,375.00   |
| 11/01/2013 | -          | -      | 102,500.00 | 102,500.00 | -            | 102,500.00  | -            |
| 05/01/2014 | 160,000.00 | 5.000% | 102,500.00 | 262,500.00 | -            | 262,500.00  | -            |
| 06/30/2014 | -          | -      | -          | -          | -            | -           | 365,000.00   |
| 11/01/2014 | -          | -      | 98,500.00  | 98,500.00  | -            | 98,500.00   | -            |
| 05/01/2015 | 165,000.00 | 5.000% | 98,500.00  | 263,500.00 | -            | 263,500.00  | -            |
| 06/30/2015 | -          | -      | -          | -          | -            | -           | 362,000.00   |
| 11/01/2015 | -          | -      | 94,375.00  | 94,375.00  | -            | 94,375.00   | -            |
| 05/01/2016 | 175,000.00 | 5.000% | 94,375.00  | 269,375.00 | -            | 269,375.00  | -            |
| 06/30/2016 | -          | -      | -          | -          | -            | -           | 363,750.00   |
| 11/01/2016 | -          | -      | 90,000.00  | 90,000.00  | -            | 90,000.00   | -            |
| 05/01/2017 | 185,000.00 | 5.000% | 90,000.00  | 275,000.00 | -            | 275,000.00  | -            |
| 06/30/2017 | -          | -      | -          | -          | -            | -           | 365,000.00   |
| 11/01/2017 | -          | -      | 85,375.00  | 85,375.00  | -            | 85,375.00   | -            |
| 05/01/2018 | 195,000.00 | 5.000% | 85,375.00  | 280,375.00 | -            | 280,375.00  | -            |
| 06/30/2018 | -          | -      | -          | -          | -            | -           | 365,750.00   |
| 11/01/2018 | -          | -      | 80,500.00  | 80,500.00  | -            | 80,500.00   | -            |
| 05/01/2019 | 200,000.00 | 5.000% | 80,500.00  | 280,500.00 | -            | 280,500.00  | -            |
| 06/30/2019 | -          | -      | -          | -          | -            | -           | 361,000.00   |
| 11/01/2019 | -          | -      | 75,500.00  | 75,500.00  | -            | 75,500.00   | -            |
| 05/01/2020 | 210,000.00 | 5.000% | 75,500.00  | 285,500.00 | -            | 285,500.00  | -            |
| 06/30/2020 | -          | -      | -          | -          | -            | -           | 361,000.00   |
| 11/01/2020 | -          | -      | 70,250.00  | 70,250.00  | -            | 70,250.00   | -            |
| 05/01/2021 | 225,000.00 | 5.000% | 70,250.00  | 295,250.00 | -            | 295,250.00  | -            |
| 06/30/2021 | -          | -      | -          | -          | -            | -           | 365,500.00   |
| 11/01/2021 | -          | -      | 64,625.00  | 64,625.00  | -            | 64,625.00   | -            |
| 05/01/2022 | 235,000.00 | 5.000% | 64,625.00  | 299,625.00 | -            | 299,625.00  | -            |
| 06/30/2022 | -          | -      | -          | -          | -            | -           | 364,250.00   |
| 11/01/2022 | -          | -      | 58,750.00  | 58,750.00  | -            | 58,750.00   | -            |
| 05/01/2023 | 245,000.00 | 5.000% | 58,750.00  | 303,750.00 | -            | 303,750.00  | -            |

Phase 1 - Tranche 1 (15/2 | Aidable - Addition - Soft | 11/14/2007 | 4:55 PM

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I             | CIF                 | Net New D/S           | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|-----------------------|---------------------|-----------------------|--------------|
| 06/30/2023   | -                     | -        | -                     | -                     | -                   | -                     | 362,500.00   |
| 11/01/2023   | -                     | -        | 52,625.00             | 52,625.00             | -                   | 52,625.00             | -            |
| 05/01/2024   | 260,000.00            | 5.000%   | 52,625.00             | 312,625.00            | -                   | 312,625.00            | -            |
| 06/30/2024   | -                     | -        | -                     | -                     | -                   | -                     | 365,250.00   |
| 11/01/2024   | -                     | -        | 46,125.00             | 46,125.00             | -                   | 46,125.00             | -            |
| 05/01/2025   | 270,000.00            | 5.000%   | 46,125.00             | 316,125.00            | -                   | 316,125.00            | -            |
| 06/30/2025   | -                     | -        | -                     | -                     | -                   | -                     | 362,250.00   |
| 11/01/2025   | -                     | -        | 39,375.00             | 39,375.00             | -                   | 39,375.00             | -            |
| 05/01/2026   | 285,000.00            | 5.000%   | 39,375.00             | 324,375.00            | -                   | 324,375.00            | -            |
| 06/30/2026   | -                     | -        | -                     | -                     | -                   | -                     | 363,750.00   |
| 11/01/2026   | -                     | -        | 32,250.00             | 32,250.00             | -                   | 32,250.00             | -            |
| 05/01/2027   | 300,000.00            | 5.000%   | 32,250.00             | 332,250.00            | -                   | 332,250.00            | -            |
| 06/30/2027   | -                     | -        | -                     | -                     | -                   | -                     | 364,500.00   |
| 11/01/2027   | -                     | -        | 24,750.00             | 24,750.00             | -                   | 24,750.00             | -            |
| 05/01/2028   | 315,000.00            | 5.000%   | 24,750.00             | 339,750.00            | -                   | 339,750.00            | -            |
| 06/30/2028   | -                     | -        | -                     | -                     | -                   | -                     | 364,500.00   |
| 11/01/2028   | -                     | -        | 16,875.00             | 16,875.00             | -                   | 16,875.00             | -            |
| 05/01/2029   | 330,000.00            | 5.000%   | 16,875.00             | 346,875.00            | -                   | 346,875.00            | -            |
| 06/30/2029   | -                     | -        | -                     | -                     | -                   | -                     | 363,750.00   |
| 11/01/2029   | -                     | -        | 8,625.00              | 8,625.00              | -                   | 8,625.00              | -            |
| 05/01/2030   | 345,000.00            | 5.000%   | 8,625.00              | 353,625.00            | -                   | 353,625.00            | -            |
| 06/30/2030   | -                     | -        | -                     | -                     | -                   | -                     | 362,250.00   |
| <b>Total</b> | <b>\$4,535,000.00</b> | <b>-</b> | <b>\$3,234,568.75</b> | <b>\$7,769,568.75</b> | <b>(612,631.25)</b> | <b>\$7,156,937.50</b> | <b>-</b>     |

**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

### Operation Of Project Construction Fund

| Date         | Principal             | Rate | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------|-----------------------|-----------------------|--------------|
| 02/01/2008   | 4,035,188.00          | -    | 4,035,188.00          | 4,035,188.00          | -            |
| <b>Total</b> | <b>\$4,035,188.00</b> | -    | <b>\$4,035,188.00</b> | <b>\$4,035,188.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                       |
|--|-----------------------|
| Cost of Investments Purchased with Bond Proceeds | 4,035,188.00          |
| <b>Total Cost of Investments</b>                 | <b>\$4,035,188.00</b> |

|  |                |
|--|----------------|
| Target Cost of Investments at bond yield | \$4,035,188.00 |
|--|----------------|

|                              |            |
|------------------------------|------------|
| Yield to Receipt             | -          |
| Yield for Arbitrage Purposes | 4.3659509% |



**\$4,535,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Soft Costs)

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest           | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|--------------------|---------------------|---------------------|--------------|
| 02/01/2008   | -                   | 4.0000000% | -                  | 0.03                | -                   | 0.03         |
| 05/01/2008   | (5,710.70)          | 4.0000000% | 5,710.70           | -                   | -                   | 0.03         |
| 11/01/2008   | 155,488.80          | 4.0000000% | 11,592.44          | 167,081.24          | 167,081.25          | 0.02         |
| 05/01/2009   | 102,904.83          | 4.0000000% | 8,482.67           | 111,387.50          | 111,387.50          | 0.02         |
| 11/01/2009   | 104,962.92          | 4.0000000% | 6,424.57           | 111,387.49          | 111,387.50          | 0.01         |
| 05/01/2010   | 107,062.18          | 4.0000000% | 4,325.31           | 111,387.49          | 111,387.50          | -            |
| 11/01/2010   | 109,203.43          | 4.0000000% | 2,184.07           | 111,387.50          | 111,387.50          | -            |
| <b>Total</b> | <b>\$573,911.46</b> | <b>-</b>   | <b>\$38,719.76</b> | <b>\$612,631.25</b> | <b>\$612,631.25</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model [PV, GIC, or Securities]        | GIC          |
| Default investment yield target                  | User Defined |
| Cash Deposit                                     | 0.03         |
| Cost of Investments Purchased with Bond Proceeds | \$73,911.46  |
| Total Cost of Investments                        | \$573,911.49 |
| Target Cost of Investments at bond yield         | \$570,553.89 |
| Actual positive or (negative) arbitrage          | (3,357.60)   |
| Yield to Receipt                                 | 3.9999995%   |
| Yield for Arbitrage Purposes                     | 4.3659509%   |

#### Composition Of Initial Deposit

|   |             |
|---|-------------|
| Original Bond Proceeds                      | \$73,911.49 |
| Accrued Interest                            | -           |
| Cash Contribution and Prior Issue Transfers | -           |

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price      | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|------------|------------------------|
| 05/01/2009   | Serial Coupon | 4.000% | 3.390% | 625,000.00             | 100.736%   | 629,600.00             |
| 05/01/2010   | Serial Coupon | 4.000% | 3.420% | 1,025,000.00           | 101.241%   | 1,037,720.25           |
| 05/01/2011   | Serial Coupon | 4.250% | 3.500% | 1,065,000.00           | 102.280%   | 1,089,282.00           |
| 05/01/2012   | Serial Coupon | 5.000% | 3.590% | 1,115,000.00           | 105.506%   | 1,176,391.90           |
| 05/01/2013   | Serial Coupon | 5.000% | 3.680% | 1,170,000.00           | 106.244%   | 1,243,054.80           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.760% | 1,225,000.00           | 106.843%   | 1,308,826.75           |
| 05/01/2015   | Serial Coupon | 5.000% | 3.860% | 1,290,000.00           | 107.143%   | 1,382,144.70           |
| 05/01/2016   | Serial Coupon | 5.000% | 3.970% | 1,350,000.00           | 107.179%   | 1,446,916.50           |
| 05/01/2017   | Serial Coupon | 5.000% | 4.070% | 1,420,000.00           | 107.102%   | 1,520,848.40           |
| 05/01/2018   | Serial Coupon | 5.000% | 4.160% | 1,490,000.00           | 106.945%   | 1,593,480.50           |
| 05/01/2019   | Serial Coupon | 5.000% | 4.250% | 1,565,000.00           | 106.173% c | 1,661,607.45           |
| 05/01/2020   | Serial Coupon | 5.000% | 4.310% | 1,645,000.00           | 105.661% c | 1,738,123.45           |
| 05/01/2021   | Serial Coupon | 5.000% | 4.370% | 1,725,000.00           | 105.153% c | 1,813,889.25           |
| 05/01/2022   | Serial Coupon | 5.000% | 4.420% | 1,810,000.00           | 104.732% c | 1,895,649.20           |
| 05/01/2023   | Serial Coupon | 5.000% | 4.470% | 1,905,000.00           | 104.313% c | 1,987,162.65           |
| 05/01/2024   | Serial Coupon | 5.000% | 4.510% | 2,000,000.00           | 103.979% c | 2,079,580.00           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.550% | 2,095,000.00           | 103.646% c | 2,171,383.70           |
| 05/01/2026   | Serial Coupon | 5.000% | 4.590% | 2,200,000.00           | 103.315% c | 2,272,930.00           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.630% | 2,310,000.00           | 102.985% c | 2,378,953.50           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.650% | 1,570,000.00           | 102.820% c | 1,614,274.00           |
| <b>Total</b> | -             | -      | -      | <b>\$30,600,000.00</b> | -          | <b>\$32,041,819.00</b> |

### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$30,600,000.00 |
| Reoffering Premium or (Discount)      | 1,441,819.00    |
| Gross Production                      | \$32,041,819.00 |
| Total Underwriter's Discount (0.462%) | \$(141,463.80)  |
| Bid (104.250%)                        | 31,900,355.20   |
| Total Purchase Price                  | \$31,900,355.20 |
| Bond Year Dollars                     | \$374,490.00    |
| Average Life                          | 12.238 Years    |
| Average Coupon                        | 4.9848235%      |
| Net Interest Cost (NIC)               | 4.6375899%      |
| True Interest Cost (TIC)              | 4.5027300%      |

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

## Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2008   | -                      | -        | -                      | -                      |
| 05/01/2009   | 625,000.00             | 4.000%   | 1,881,890.63           | 2,506,890.63           |
| 05/01/2010   | 1,025,000.00           | 4.000%   | 1,480,512.50           | 2,505,512.50           |
| 05/01/2011   | 1,065,000.00           | 4.250%   | 1,439,512.50           | 2,504,512.50           |
| 05/01/2012   | 1,115,000.00           | 5.000%   | 1,394,250.00           | 2,509,250.00           |
| 05/01/2013   | 1,170,000.00           | 5.000%   | 1,338,500.00           | 2,508,500.00           |
| 05/01/2014   | 1,225,000.00           | 5.000%   | 1,280,000.00           | 2,505,000.00           |
| 05/01/2015   | 1,290,000.00           | 5.000%   | 1,218,750.00           | 2,508,750.00           |
| 05/01/2016   | 1,350,000.00           | 5.000%   | 1,154,250.00           | 2,504,250.00           |
| 05/01/2017   | 1,420,000.00           | 5.000%   | 1,086,750.00           | 2,506,750.00           |
| 05/01/2018   | 1,490,000.00           | 5.000%   | 1,015,750.00           | 2,505,750.00           |
| 05/01/2019   | 1,565,000.00           | 5.000%   | 941,250.00             | 2,506,250.00           |
| 05/01/2020   | 1,645,000.00           | 5.000%   | 863,000.00             | 2,508,000.00           |
| 05/01/2021   | 1,725,000.00           | 5.000%   | 780,750.00             | 2,505,750.00           |
| 05/01/2022   | 1,810,000.00           | 5.000%   | 694,500.00             | 2,504,500.00           |
| 05/01/2023   | 1,905,000.00           | 5.000%   | 604,000.00             | 2,509,000.00           |
| 05/01/2024   | 2,000,000.00           | 5.000%   | 508,750.00             | 2,508,750.00           |
| 05/01/2025   | 2,095,000.00           | 5.000%   | 408,750.00             | 2,503,750.00           |
| 05/01/2026   | 2,200,000.00           | 5.000%   | 304,000.00             | 2,504,000.00           |
| 05/01/2027   | 2,310,000.00           | 5.000%   | 194,000.00             | 2,504,000.00           |
| 05/01/2028   | 1,570,000.00           | 5.000%   | 78,500.00              | 1,648,500.00           |
| <b>Total</b> | <b>\$30,600,000.00</b> | <b>-</b> | <b>\$18,667,665.63</b> | <b>\$49,267,665.63</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$374,490.00 |
| Average Life                      | 12.238 Years |
| Average Coupon                    | 4.9848235%   |
| Net Interest Cost (NIC)           | 4.6375899%   |
| True Interest Cost (TIC)          | 4.5027300%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.8491687%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4024649%   |
| Weighted Average Maturity | 12.211 Years |

Phase I - Tranche 1 (15/20 yr) - Aidable - Addition - Cent | 11/14/2007 | 4:56 PM

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2008 | -            | -      | -            | -            | -            |
| 11/01/2008 | -            | -      | 1,129,134.38 | 1,129,134.38 | -            |
| 05/01/2009 | 625,000.00   | 4.000% | 752,756.25   | 1,377,756.25 | -            |
| 06/30/2009 | -            | -      | -            | -            | 2,506,890.63 |
| 11/01/2009 | -            | -      | 740,256.25   | 740,256.25   | -            |
| 05/01/2010 | 1,025,000.00 | 4.000% | 740,256.25   | 1,765,256.25 | -            |
| 06/30/2010 | -            | -      | -            | -            | 2,505,512.50 |
| 11/01/2010 | -            | -      | 719,756.25   | 719,756.25   | -            |
| 05/01/2011 | 1,065,000.00 | 4.250% | 719,756.25   | 1,784,756.25 | -            |
| 06/30/2011 | -            | -      | -            | -            | 2,504,512.50 |
| 11/01/2011 | -            | -      | 697,125.00   | 697,125.00   | -            |
| 05/01/2012 | 1,115,000.00 | 5.000% | 697,125.00   | 1,812,125.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | 2,509,250.00 |
| 11/01/2012 | -            | -      | 669,250.00   | 669,250.00   | -            |
| 05/01/2013 | 1,170,000.00 | 5.000% | 669,250.00   | 1,839,250.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | 2,508,500.00 |
| 11/01/2013 | -            | -      | 640,000.00   | 640,000.00   | -            |
| 05/01/2014 | 1,225,000.00 | 5.000% | 640,000.00   | 1,865,000.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 2,505,000.00 |
| 11/01/2014 | -            | -      | 609,375.00   | 609,375.00   | -            |
| 05/01/2015 | 1,290,000.00 | 5.000% | 609,375.00   | 1,899,375.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 2,508,750.00 |
| 11/01/2015 | -            | -      | 577,125.00   | 577,125.00   | -            |
| 05/01/2016 | 1,350,000.00 | 5.000% | 577,125.00   | 1,927,125.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 2,504,250.00 |
| 11/01/2016 | -            | -      | 543,375.00   | 543,375.00   | -            |
| 05/01/2017 | 1,420,000.00 | 5.000% | 543,375.00   | 1,963,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 2,506,750.00 |
| 11/01/2017 | -            | -      | 507,875.00   | 507,875.00   | -            |
| 05/01/2018 | 1,490,000.00 | 5.000% | 507,875.00   | 1,997,875.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 2,505,750.00 |
| 11/01/2018 | -            | -      | 470,625.00   | 470,625.00   | -            |
| 05/01/2019 | 1,565,000.00 | 5.000% | 470,625.00   | 2,035,625.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 2,506,250.00 |
| 11/01/2019 | -            | -      | 431,500.00   | 431,500.00   | -            |
| 05/01/2020 | 1,645,000.00 | 5.000% | 431,500.00   | 2,076,500.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 2,508,000.00 |
| 11/01/2020 | -            | -      | 390,375.00   | 390,375.00   | -            |
| 05/01/2021 | 1,725,000.00 | 5.000% | 390,375.00   | 2,115,375.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 2,505,750.00 |
| 11/01/2021 | -            | -      | 347,250.00   | 347,250.00   | -            |
| 05/01/2022 | 1,810,000.00 | 5.000% | 347,250.00   | 2,157,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 2,504,500.00 |
| 11/01/2022 | -            | -      | 302,000.00   | 302,000.00   | -            |

Phase I - Tranche 1 (15/2 | Aidable - Addition - Cent | 11/14/2007 | 4:55 PM

DEPFA First Albany Securities LLC

Public Finance

Page 27

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2023   | 1,905,000.00           | 5.000%   | 302,000.00             | 2,207,000.00           | -            |
| 06/30/2023   | -                      | -        | -                      | -                      | 2,509,000.00 |
| 11/01/2023   | -                      | -        | 254,375.00             | 254,375.00             | -            |
| 05/01/2024   | 2,000,000.00           | 5.000%   | 254,375.00             | 2,254,375.00           | -            |
| 06/30/2024   | -                      | -        | -                      | -                      | 2,508,750.00 |
| 11/01/2024   | -                      | -        | 204,375.00             | 204,375.00             | -            |
| 05/01/2025   | 2,095,000.00           | 5.000%   | 204,375.00             | 2,299,375.00           | -            |
| 06/30/2025   | -                      | -        | -                      | -                      | 2,503,750.00 |
| 11/01/2025   | -                      | -        | 152,000.00             | 152,000.00             | -            |
| 05/01/2026   | 2,200,000.00           | 5.000%   | 152,000.00             | 2,352,000.00           | -            |
| 06/30/2026   | -                      | -        | -                      | -                      | 2,504,000.00 |
| 11/01/2026   | -                      | -        | 97,000.00              | 97,000.00              | -            |
| 05/01/2027   | 2,310,000.00           | 5.000%   | 97,000.00              | 2,407,000.00           | -            |
| 06/30/2027   | -                      | -        | -                      | -                      | 2,504,000.00 |
| 11/01/2027   | -                      | -        | 39,250.00              | 39,250.00              | -            |
| 05/01/2028   | 1,570,000.00           | 5.000%   | 39,250.00              | 1,609,250.00           | -            |
| 06/30/2028   | -                      | -        | -                      | -                      | 1,648,500.00 |
| <b>Total</b> | <b>\$30,600,000.00</b> | <b>-</b> | <b>\$18,667,665.63</b> | <b>\$49,267,665.63</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$374,490.00 |
| Average Life                      | 12.238 Years |
| Average Coupon                    | 4.9848235%   |
| Net Interest Cost (NIC)           | 4.6375899%   |
| True Interest Cost (TIC)          | 4.5027300%   |
| Bond Yield for Arbitrage Purposes | 4.3659509%   |
| All Inclusive Cost (AIC)          | 4.8491687%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4024649%   |
| Weighted Average Maturity | 12.211 Years |

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|--------------|
| 02/01/2008 | -            | -      | -            | -            | -            | -            |
| 11/01/2008 | -            | -      | 1,129,134.38 | 1,129,134.38 | 1,129,134.38 | -            |
| 05/01/2009 | 625,000.00   | 4.000% | 752,756.25   | 1,377,756.25 | 1,377,756.25 | -            |
| 06/30/2009 | -            | -      | -            | -            | -            | 2,506,890.63 |
| 11/01/2009 | -            | -      | 740,256.25   | 740,256.25   | 740,256.25   | -            |
| 05/01/2010 | 1,025,000.00 | 4.000% | 740,256.25   | 1,765,256.25 | 1,765,256.25 | -            |
| 06/30/2010 | -            | -      | -            | -            | -            | 2,505,512.50 |
| 11/01/2010 | -            | -      | 719,756.25   | 719,756.25   | 719,756.25   | -            |
| 05/01/2011 | 1,065,000.00 | 4.250% | 719,756.25   | 1,784,756.25 | 1,784,756.25 | -            |
| 06/30/2011 | -            | -      | -            | -            | -            | 2,504,512.50 |
| 11/01/2011 | -            | -      | 697,125.00   | 697,125.00   | 697,125.00   | -            |
| 05/01/2012 | 1,115,000.00 | 5.000% | 697,125.00   | 1,812,125.00 | 1,812,125.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | -            | 2,509,250.00 |
| 11/01/2012 | -            | -      | 669,250.00   | 669,250.00   | 669,250.00   | -            |
| 05/01/2013 | 1,170,000.00 | 5.000% | 669,250.00   | 1,839,250.00 | 1,839,250.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | -            | 2,508,500.00 |
| 11/01/2013 | -            | -      | 640,000.00   | 640,000.00   | 640,000.00   | -            |
| 05/01/2014 | 1,225,000.00 | 5.000% | 640,000.00   | 1,865,000.00 | 1,865,000.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | -            | 2,505,000.00 |
| 11/01/2014 | -            | -      | 609,375.00   | 609,375.00   | 609,375.00   | -            |
| 05/01/2015 | 1,290,000.00 | 5.000% | 609,375.00   | 1,899,375.00 | 1,899,375.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -            | 2,508,750.00 |
| 11/01/2015 | -            | -      | 577,125.00   | 577,125.00   | 577,125.00   | -            |
| 05/01/2016 | 1,350,000.00 | 5.000% | 577,125.00   | 1,927,125.00 | 1,927,125.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -            | 2,504,250.00 |
| 11/01/2016 | -            | -      | 543,375.00   | 543,375.00   | 543,375.00   | -            |
| 05/01/2017 | 1,420,000.00 | 5.000% | 543,375.00   | 1,963,375.00 | 1,963,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -            | 2,506,750.00 |
| 11/01/2017 | -            | -      | 507,875.00   | 507,875.00   | 507,875.00   | -            |
| 05/01/2018 | 1,490,000.00 | 5.000% | 507,875.00   | 1,997,875.00 | 1,997,875.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -            | 2,505,750.00 |
| 11/01/2018 | -            | -      | 470,625.00   | 470,625.00   | 470,625.00   | -            |
| 05/01/2019 | 1,565,000.00 | 5.000% | 470,625.00   | 2,035,625.00 | 2,035,625.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -            | 2,506,250.00 |
| 11/01/2019 | -            | -      | 431,500.00   | 431,500.00   | 431,500.00   | -            |
| 05/01/2020 | 1,645,000.00 | 5.000% | 431,500.00   | 2,076,500.00 | 2,076,500.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -            | 2,508,000.00 |
| 11/01/2020 | -            | -      | 390,375.00   | 390,375.00   | 390,375.00   | -            |
| 05/01/2021 | 1,725,000.00 | 5.000% | 390,375.00   | 2,115,375.00 | 2,115,375.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -            | 2,505,750.00 |
| 11/01/2021 | -            | -      | 347,250.00   | 347,250.00   | 347,250.00   | -            |
| 05/01/2022 | 1,810,000.00 | 5.000% | 347,250.00   | 2,157,250.00 | 2,157,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -            | 2,504,500.00 |
| 11/01/2022 | -            | -      | 302,000.00   | 302,000.00   | 302,000.00   | -            |

Phase I - Tranche 1 (15/2 | Aidable - Addition - Cent | 11/14/2007 | 4:55 PM

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Net New D/S            | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|------------------------|--------------|
| 05/01/2023   | 1,905,000.00           | 5.000%   | 302,000.00             | 2,207,000.00           | 2,207,000.00           | -            |
| 06/30/2023   | -                      | -        | -                      | -                      | -                      | 2,509,000.00 |
| 11/01/2023   | -                      | -        | 254,375.00             | 254,375.00             | 254,375.00             | -            |
| 05/01/2024   | 2,000,000.00           | 5.000%   | 254,375.00             | 2,254,375.00           | 2,254,375.00           | -            |
| 06/30/2024   | -                      | -        | -                      | -                      | -                      | 2,508,750.00 |
| 11/01/2024   | -                      | -        | 204,375.00             | 204,375.00             | 204,375.00             | -            |
| 05/01/2025   | 2,095,000.00           | 5.000%   | 204,375.00             | 2,299,375.00           | 2,299,375.00           | -            |
| 06/30/2025   | -                      | -        | -                      | -                      | -                      | 2,503,750.00 |
| 11/01/2025   | -                      | -        | 152,000.00             | 152,000.00             | 152,000.00             | -            |
| 05/01/2026   | 2,200,000.00           | 5.000%   | 152,000.00             | 2,352,000.00           | 2,352,000.00           | -            |
| 06/30/2026   | -                      | -        | -                      | -                      | -                      | 2,504,000.00 |
| 11/01/2026   | -                      | -        | 97,000.00              | 97,000.00              | 97,000.00              | -            |
| 05/01/2027   | 2,310,000.00           | 5.000%   | 97,000.00              | 2,407,000.00           | 2,407,000.00           | -            |
| 06/30/2027   | -                      | -        | -                      | -                      | -                      | 2,504,000.00 |
| 11/01/2027   | -                      | -        | 39,250.00              | 39,250.00              | 39,250.00              | -            |
| 05/01/2028   | 1,570,000.00           | 5.000%   | 39,250.00              | 1,609,250.00           | 1,609,250.00           | -            |
| 06/30/2028   | -                      | -        | -                      | -                      | -                      | 1,648,500.00 |
| <b>Total</b> | <b>\$30,600,000.00</b> | <b>-</b> | <b>\$18,667,665.63</b> | <b>\$49,267,665.63</b> | <b>\$49,267,665.63</b> | <b>-</b>     |

**\$30,600,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Aidable - Addition (Central Tech)

### Operation Of Project Construction Fund

| Date         | Principal              | Rate | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------|------------------------|------------------------|--------------|
| 02/01/2008   | 30,940,288.00          | -    | 30,940,288.00          | 30,940,288.00          | -            |
| <b>Total</b> | <b>\$30,940,288.00</b> | -    | <b>\$30,940,288.00</b> | <b>\$30,940,288.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                        |
|--|------------------------|
| Cost of Investments Purchased with Bond Proceeds | 30,940,288.00          |
| <b>Total Cost of Investments</b>                 | <b>\$30,940,288.00</b> |
| <b>Target Cost of Investments at bond yield</b>  | <b>\$30,940,288.00</b> |
| Yield to Receipt                                 | -                      |
| Yield for Arbitrage Purposes                     | 4.3659509%             |



**\$935,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Non-Aidable - Addition (Central Tech)

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value      | Price    | Dollar Price        |
|--------------|---------------|--------|--------|---------------------|----------|---------------------|
| 05/01/2009   | Serial Coupon | 4.000% | 3.390% | 270,000.00          | 100.736% | 271,987.20          |
| 05/01/2011   | Serial Coupon | 4.250% | 3.500% | 665,000.00          | 102.280% | 680,162.00          |
| <b>Total</b> | -             | -      | -      | <b>\$935,000.00</b> | -        | <b>\$952,149.20</b> |

### Bid Information

|                                       |              |
|---------------------------------------|--------------|
| Par Amount of Bonds                   | \$935,000.00 |
| Reoffering Premium or (Discount)      | 17,149.20    |
| Gross Production                      | \$952,149.20 |
| Total Underwriter's Discount (0.462%) | \$(4,322.51) |
| Bid (101.372%)                        | 947,826.69   |
| Total Purchase Price                  | \$947,826.69 |
| Bond Year Dollars                     | \$2,498.75   |
| Average Life                          | 2.672 Years  |
| Average Coupon                        | 4.2162333%   |
| Net Interest Cost (NIC)               | 3.7029091%   |
| True Interest Cost (TIC)              | 3.6631517%   |

**\$935,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Non-Aidable - Addition (Central Tech)

### Debt Service Schedule

| Date         | Principal           | Coupon | Interest            | Total P+I             |
|--------------|---------------------|--------|---------------------|-----------------------|
| 05/01/2008   | -                   | -      | -                   | -                     |
| 05/01/2009   | 270,000.00          | 4.000% | 48,828.13           | 318,828.13            |
| 05/01/2010   | -                   | -      | 28,262.50           | 28,262.50             |
| 05/01/2011   | 665,000.00          | 4.250% | 28,262.50           | 693,262.50            |
| <b>Total</b> | <b>\$935,000.00</b> | -      | <b>\$105,353.13</b> | <b>\$1,040,353.13</b> |

### Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$2,498.75  |
| Average Life                      | 2.672 Years |
| Average Coupon                    | 4.2162333%  |
| Net Interest Cost (NIC)           | 3.7029091%  |
| True Interest Cost (TIC)          | 3.6631517%  |
| Bond Yield for Arbitrage Purposes | 4.3659509%  |
| All Inclusive Cost (AIC)          | 4.8492133%  |

### IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.4582853%  |
| Weighted Average Maturity | 2.679 Years |

**\$935,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Non-Aidable - Addition (Central Tech)

### Debt Service Schedule

| Date         | Principal           | Coupon   | Interest            | Total P+I             | Fiscal Total |
|--------------|---------------------|----------|---------------------|-----------------------|--------------|
| 02/01/2008   | -                   | -        | -                   | -                     | -            |
| 11/01/2008   | -                   | -        | 29,296.88           | 29,296.88             | -            |
| 05/01/2009   | 270,000.00          | 4.000%   | 19,531.25           | 289,531.25            | -            |
| 06/30/2009   | -                   | -        | -                   | -                     | 318,828.13   |
| 11/01/2009   | -                   | -        | 14,131.25           | 14,131.25             | -            |
| 05/01/2010   | -                   | -        | 14,131.25           | 14,131.25             | -            |
| 06/30/2010   | -                   | -        | -                   | -                     | 28,262.50    |
| 11/01/2010   | -                   | -        | 14,131.25           | 14,131.25             | -            |
| 05/01/2011   | 665,000.00          | 4.250%   | 14,131.25           | 679,131.25            | -            |
| 06/30/2011   | -                   | -        | -                   | -                     | 693,262.50   |
| <b>Total</b> | <b>\$935,000.00</b> | <b>-</b> | <b>\$105,353.13</b> | <b>\$1,040,353.13</b> | <b>-</b>     |

### Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$2,498.75  |
| Average Life                      | 2.672 Years |
| Average Coupon                    | 4.2162333%  |
| Net Interest Cost (NIC)           | 3.7029091%  |
| True Interest Cost (TIC)          | 3.6631517%  |
| Bond Yield for Arbitrage Purposes | 4.3659509%  |
| All Inclusive Cost (AIC)          | 4.8492133%  |

### IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.4582853%  |
| Weighted Average Maturity | 2.679 Years |

**\$935,000**

City of Syracuse

SIDA Bonds

Tranche 1 (15/20 yr) - Non-Aidable - Addition (Central Tech)

**Net Debt Service Schedule**

| Date         | Principal           | Coupon   | Interest            | Total P+I             | Net New D/S           | Fiscal Total |
|--------------|---------------------|----------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2008   | -                   | -        | -                   | -                     | -                     | -            |
| 11/01/2008   | -                   | -        | 29,296.88           | 29,296.88             | 29,296.88             | -            |
| 05/01/2009   | 270,000.00          | 4.000%   | 19,531.25           | 289,531.25            | 289,531.25            | -            |
| 06/30/2009   | -                   | -        | -                   | -                     | -                     | 318,828.13   |
| 11/01/2009   | -                   | -        | 14,131.25           | 14,131.25             | 14,131.25             | -            |
| 05/01/2010   | -                   | -        | 14,131.25           | 14,131.25             | 14,131.25             | -            |
| 06/30/2010   | -                   | -        | -                   | -                     | -                     | 28,262.50    |
| 11/01/2010   | -                   | -        | 14,131.25           | 14,131.25             | 14,131.25             | -            |
| 05/01/2011   | 665,000.00          | 4.250%   | 14,131.25           | 679,131.25            | 679,131.25            | -            |
| 06/30/2011   | -                   | -        | -                   | -                     | -                     | 693,262.50   |
| <b>Total</b> | <b>\$935,000.00</b> | <b>-</b> | <b>\$105,353.13</b> | <b>\$1,040,353.13</b> | <b>\$1,040,353.13</b> | <b>-</b>     |

**\$127,450,000**

City of Syracuse  
SIDA Bonds  
Tranche 2 (15/20 yr)

## Total Issue Sources And Uses

Dated 02/01/2009 | Delivered 02/01/2009

|  | Aidable -<br>Reconstructio<br>n | Aidable -<br>Addition  | Non-Aidable -<br>Reconstructio<br>n | Non-Aidable -<br>Addition | Issue Summary           |
|--|---------------------------------|------------------------|-------------------------------------|---------------------------|-------------------------|
| <b>Sources Of Funds</b>                    |                                 |                        |                                     |                           |                         |
| Par Amount of Bonds                        | \$54,540,000.00                 | \$43,345,000.00        | \$21,060,000.00                     | \$8,505,000.00            | \$127,450,000.00        |
| Reoffering Premium                         | 3,114,351.85                    | 2,115,554.90           | 1,231,547.15                        | 244,263.00                | 6,705,716.90            |
| <b>Total Sources</b>                       | <b>\$57,654,351.85</b>          | <b>\$45,460,554.90</b> | <b>\$22,291,547.15</b>              | <b>\$8,749,263.00</b>     | <b>\$134,155,716.90</b> |
| <b>Uses Of Funds</b>                       |                                 |                        |                                     |                           |                         |
| Total Management Fees                      | 27,270.00                       | 21,672.50              | 10,530.00                           | 4,252.50                  | 63,725.00               |
| Total Average Takedown                     | 149,985.00                      | 119,198.75             | 57,915.00                           | 23,388.75                 | 350,487.50              |
| Underwriter's Counsel                      | 40,905.00                       | 32,508.75              | 15,795.00                           | 6,378.75                  | 95,587.50               |
| SIFMA                                      | 1,636.20                        | 1,300.35               | 631.80                              | 255.15                    | 3,823.50                |
| Dalcomp                                    | 3,272.40                        | 2,600.70               | 1,263.60                            | 510.30                    | 7,647.00                |
| DTC  | 109.08                          | 86.69                  | 42.12                               | 17.01                     | 254.90                  |
| CUSIP                                      | 163.62                          | 130.04                 | 63.18                               | 25.52                     | 382.35                  |
| Day Loan                                   | 1,527.12                        | 1,213.66               | 589.68                              | 238.14                    | 3,568.60                |
| Costs of Issuance                          | 320,949.39                      | 255,070.62             | 123,930.95                          | 50,049.04                 | 750,000.00              |
| Gross Bond Insurance Premium               | 286,797.18                      | 252,383.85             | 101,880.67                          | 60,926.47                 | 701,988.17              |
| Surety                                     | 100,975.99                      | 80,249.44              | 38,990.73                           | 15,746.26                 | 235,962.42              |
| SBIC                                       | 379,126.12                      | 301,305.86             | 146,395.24                          | 59,121.16                 | 885,948.38              |
| IDA Fee                                    | 272,700.00                      | 216,725.00             | 105,300.00                          | 42,525.00                 | 637,250.00              |
| Deposit to Capitalized Interest (CIF) Fund | 4,431,953.55                    | 3,556,132.41           | 463,909.08                          | 517,052.33                | 8,969,047.37            |
| Deposit to Project Construction Fund       | 51,635,826.00                   | 40,618,245.00          | -                                   | -                         | 92,254,071.00           |
| Rounding Amount                            | 1,155.20                        | 1,731.28               | 21,224,310.10                       | 7,968,776.62              | 29,195,973.20           |
| <b>Total Uses</b>                          | <b>\$57,654,351.85</b>          | <b>\$45,460,554.90</b> | <b>\$22,291,547.15</b>              | <b>\$8,749,263.00</b>     | <b>\$134,155,716.90</b> |

Phase 1 - Tranche 2 (15/2) | Issue Summary | 11/14/2007 | 8:00 PM

**\$127,450,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr)

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price    | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|----------|-------------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 4,160,000.00            | 101.306% | 4,214,329.60            |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 6,525,000.00            | 101.765% | 6,640,166.25            |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 6,515,000.00            | 102.933% | 6,706,084.95            |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 7,170,000.00            | 106.686% | 7,649,386.20            |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 7,170,000.00            | 107.304% | 7,693,696.80            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 7,120,000.00            | 107.799% | 7,675,288.80            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 6,815,000.00            | 107.983% | 7,359,041.45            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 6,635,000.00            | 107.903% | 7,159,364.05            |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 6,560,000.00            | 107.724% | 7,066,694.40            |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 8,245,000.00            | 106.945% | 8,817,615.25            |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 6,235,000.00            | 106.173% | 6,619,886.55            |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 6,595,000.00            | 105.661% | 6,968,342.95            |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 6,880,000.00            | 105.153% | 7,234,526.40            |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 8,905,000.00            | 104.732% | 9,326,384.60            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 8,385,000.00            | 104.313% | 8,746,645.05            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.510% | 2,720,000.00            | 103.979% | 2,828,228.80            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.550% | 2,855,000.00            | 103.646% | 2,959,093.30            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.590% | 3,000,000.00            | 103.315% | 3,099,450.00            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.630% | 5,830,000.00            | 102.985% | 6,004,025.50            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.650% | 9,130,000.00            | 102.820% | 9,387,466.00            |
| <b>Total</b> | -             | -      | -      | <b>\$127,450,000.00</b> | -        | <b>\$134,155,716.90</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$127,450,000.00 |
| Reoffering Premium or (Discount)      | 6,705,716.90     |
| Gross Production                      | \$134,155,716.90 |
| Total Underwriter's Discount (0.412%) | \$(525,476.36)   |
| Bid (104.849%)                        | 133,630,240.54   |
| Total Purchase Price                  | \$133,630,240.54 |
| Bond Year Dollars                     | \$1,472,627.50   |
| Average Life                          | 11.555 Years     |
| Average Coupon                        | 4.9651420%       |
| Net Interest Cost (NIC)               | 4.5454676%       |
| True Interest Cost (TIC)              | 4.3896669%       |

**\$127,450,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr)

## Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               |
|--------------|-------------------------|----------|------------------------|-------------------------|
| 05/01/2009   | -                       | -        | -                      | -                       |
| 05/01/2010   | -                       | -        | 7,770,984.38           | 7,770,984.38            |
| 05/01/2011   | 4,160,000.00            | 4.000%   | 6,216,787.50           | 10,376,787.50           |
| 05/01/2012   | 6,525,000.00            | 4.000%   | 6,050,387.50           | 12,575,387.50           |
| 05/01/2013   | 6,515,000.00            | 4.250%   | 5,789,387.50           | 12,304,387.50           |
| 05/01/2014   | 7,170,000.00            | 5.000%   | 5,512,500.00           | 12,682,500.00           |
| 05/01/2015   | 7,170,000.00            | 5.000%   | 5,154,000.00           | 12,324,000.00           |
| 05/01/2016   | 7,120,000.00            | 5.000%   | 4,795,500.00           | 11,915,500.00           |
| 05/01/2017   | 6,815,000.00            | 5.000%   | 4,439,500.00           | 11,254,500.00           |
| 05/01/2018   | 6,635,000.00            | 5.000%   | 4,098,750.00           | 10,733,750.00           |
| 05/01/2019   | 6,560,000.00            | 5.000%   | 3,767,000.00           | 10,327,000.00           |
| 05/01/2020   | 8,245,000.00            | 5.000%   | 3,439,000.00           | 11,684,000.00           |
| 05/01/2021   | 6,235,000.00            | 5.000%   | 3,026,750.00           | 9,261,750.00            |
| 05/01/2022   | 6,595,000.00            | 5.000%   | 2,715,000.00           | 9,310,000.00            |
| 05/01/2023   | 6,880,000.00            | 5.000%   | 2,385,250.00           | 9,265,250.00            |
| 05/01/2024   | 8,905,000.00            | 5.000%   | 2,041,250.00           | 10,946,250.00           |
| 05/01/2025   | 8,385,000.00            | 5.000%   | 1,596,000.00           | 9,981,000.00            |
| 05/01/2026   | 2,720,000.00            | 5.000%   | 1,176,750.00           | 3,896,750.00            |
| 05/01/2027   | 2,855,000.00            | 5.000%   | 1,040,750.00           | 3,895,750.00            |
| 05/01/2028   | 3,000,000.00            | 5.000%   | 898,000.00             | 3,898,000.00            |
| 05/01/2029   | 5,830,000.00            | 5.000%   | 748,000.00             | 6,578,000.00            |
| 05/01/2030   | 9,130,000.00            | 5.000%   | 456,500.00             | 9,586,500.00            |
| <b>Total</b> | <b>\$127,450,000.00</b> | <b>-</b> | <b>\$73,118,046.88</b> | <b>\$200,568,046.88</b> |

### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,472,627.50 |
| Average Life                      | 11.555 Years   |
| Average Coupon                    | 4.9651420%     |
| Net Interest Cost (NIC)           | 4.5454676%     |
| True Interest Cost (TIC)          | 4.3896669%     |
| Bond Yield for Arbitrage Purposes | 4.2932746%     |
| All Inclusive Cost (AIC)          | 4.6776312%     |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2945887%   |
| Weighted Average Maturity | 11.527 Years |

**\$127,450,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr)

**Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | Fiscal Total  |
|--------------|-------------------------|----------|------------------------|-------------------------|---------------|
| 02/01/2009   | -                       | -        | -                      | -                       | -             |
| 11/01/2009   | -                       | -        | 4,662,590.63           | 4,662,590.63            | -             |
| 05/01/2010   | -                       | -        | 3,108,393.75           | 3,108,393.75            | 7,770,984.38  |
| 11/01/2010   | -                       | -        | 3,108,393.75           | 3,108,393.75            | -             |
| 05/01/2011   | 4,160,000.00            | 4.000%   | 3,108,393.75           | 7,268,393.75            | 10,376,787.50 |
| 11/01/2011   | -                       | -        | 3,025,193.75           | 3,025,193.75            | -             |
| 05/01/2012   | 6,525,000.00            | 4.000%   | 3,025,193.75           | 9,550,193.75            | 12,575,387.50 |
| 11/01/2012   | -                       | -        | 2,894,693.75           | 2,894,693.75            | -             |
| 05/01/2013   | 6,515,000.00            | 4.250%   | 2,894,693.75           | 9,409,693.75            | 12,304,387.50 |
| 11/01/2013   | -                       | -        | 2,756,250.00           | 2,756,250.00            | -             |
| 05/01/2014   | 7,170,000.00            | 5.000%   | 2,756,250.00           | 9,926,250.00            | 12,682,500.00 |
| 11/01/2014   | -                       | -        | 2,577,000.00           | 2,577,000.00            | -             |
| 05/01/2015   | 7,170,000.00            | 5.000%   | 2,577,000.00           | 9,747,000.00            | 12,324,000.00 |
| 11/01/2015   | -                       | -        | 2,397,750.00           | 2,397,750.00            | -             |
| 05/01/2016   | 7,120,000.00            | 5.000%   | 2,397,750.00           | 9,517,750.00            | 11,915,500.00 |
| 11/01/2016   | -                       | -        | 2,219,750.00           | 2,219,750.00            | -             |
| 05/01/2017   | 6,815,000.00            | 5.000%   | 2,219,750.00           | 9,034,750.00            | 11,254,500.00 |
| 11/01/2017   | -                       | -        | 2,049,375.00           | 2,049,375.00            | -             |
| 05/01/2018   | 6,635,000.00            | 5.000%   | 2,049,375.00           | 8,684,375.00            | 10,733,750.00 |
| 11/01/2018   | -                       | -        | 1,883,500.00           | 1,883,500.00            | -             |
| 05/01/2019   | 6,560,000.00            | 5.000%   | 1,883,500.00           | 8,443,500.00            | 10,327,000.00 |
| 11/01/2019   | -                       | -        | 1,719,500.00           | 1,719,500.00            | -             |
| 05/01/2020   | 8,245,000.00            | 5.000%   | 1,719,500.00           | 9,964,500.00            | 11,684,000.00 |
| 11/01/2020   | -                       | -        | 1,513,375.00           | 1,513,375.00            | -             |
| 05/01/2021   | 6,235,000.00            | 5.000%   | 1,513,375.00           | 7,748,375.00            | 9,261,750.00  |
| 11/01/2021   | -                       | -        | 1,357,500.00           | 1,357,500.00            | -             |
| 05/01/2022   | 6,595,000.00            | 5.000%   | 1,357,500.00           | 7,952,500.00            | 9,310,000.00  |
| 11/01/2022   | -                       | -        | 1,192,625.00           | 1,192,625.00            | -             |
| 05/01/2023   | 6,880,000.00            | 5.000%   | 1,192,625.00           | 8,072,625.00            | 9,265,250.00  |
| 11/01/2023   | -                       | -        | 1,020,625.00           | 1,020,625.00            | -             |
| 05/01/2024   | 8,905,000.00            | 5.000%   | 1,020,625.00           | 9,925,625.00            | 10,946,250.00 |
| 11/01/2024   | -                       | -        | 798,000.00             | 798,000.00              | -             |
| 05/01/2025   | 8,385,000.00            | 5.000%   | 798,000.00             | 9,183,000.00            | 9,981,000.00  |
| 11/01/2025   | -                       | -        | 588,375.00             | 588,375.00              | -             |
| 05/01/2026   | 2,720,000.00            | 5.000%   | 588,375.00             | 3,308,375.00            | 3,896,750.00  |
| 11/01/2026   | -                       | -        | 520,375.00             | 520,375.00              | -             |
| 05/01/2027   | 2,855,000.00            | 5.000%   | 520,375.00             | 3,375,375.00            | 3,895,750.00  |
| 11/01/2027   | -                       | -        | 449,000.00             | 449,000.00              | -             |
| 05/01/2028   | 3,000,000.00            | 5.000%   | 449,000.00             | 3,449,000.00            | 3,898,000.00  |
| 11/01/2028   | -                       | -        | 374,000.00             | 374,000.00              | -             |
| 05/01/2029   | 5,830,000.00            | 5.000%   | 374,000.00             | 6,204,000.00            | 6,578,000.00  |
| 11/01/2029   | -                       | -        | 228,250.00             | 228,250.00              | -             |
| 05/01/2030   | 9,130,000.00            | 5.000%   | 228,250.00             | 9,358,250.00            | 9,586,500.00  |
| <b>Total</b> | <b>\$127,450,000.00</b> | <b>-</b> | <b>\$73,118,046.88</b> | <b>\$200,568,046.88</b> | <b>-</b>      |



**\$127,450,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr)

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,472,627.50 |
| Average Life                      | 11.555 Years   |
| Average Coupon                    | 4.9651420%     |
| Net Interest Cost (NIC)           | 4.5454676%     |
| True Interest Cost (TIC)          | 4.3896669%     |
| Bond Yield for Arbitrage Purposes | 4.2932746%     |
| All Inclusive Cost (AIC)          | 4.6776312%     |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2945887%   |
| Weighted Average Maturity | 11.527 Years |

**\$127,450,000**

City of Syracuse  
SIDA Bonds  
Tranche 2 (15/20 yr)

**Net Debt Service Schedule**

| Date         | Principal               | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total  |
|--------------|-------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|---------------|
| 02/01/2009   | -                       | -        | -                      | -                       | -                     | -                       | -             |
| 11/01/2009   | -                       | -        | 4,662,590.63           | 4,662,590.63            | (4,378,690.39)        | 283,900.24              | -             |
| 05/01/2010   | -                       | -        | 3,108,393.75           | 3,108,393.75            | (2,603,668.75)        | 504,725.00              | 788,625.24    |
| 11/01/2010   | -                       | -        | 3,108,393.75           | 3,108,393.75            | (2,391,043.75)        | 717,350.00              | -             |
| 05/01/2011   | 4,160,000.00            | 4.000%   | 3,108,393.75           | 7,268,393.75            | -                     | 7,268,393.75            | 7,985,743.75  |
| 11/01/2011   | -                       | -        | 3,025,193.75           | 3,025,193.75            | -                     | 3,025,193.75            | -             |
| 05/01/2012   | 6,525,000.00            | 4.000%   | 3,025,193.75           | 9,550,193.75            | -                     | 9,550,193.75            | 12,575,387.50 |
| 11/01/2012   | -                       | -        | 2,894,693.75           | 2,894,693.75            | -                     | 2,894,693.75            | -             |
| 05/01/2013   | 6,515,000.00            | 4.250%   | 2,894,693.75           | 9,409,693.75            | -                     | 9,409,693.75            | 12,304,387.50 |
| 11/01/2013   | -                       | -        | 2,756,250.00           | 2,756,250.00            | -                     | 2,756,250.00            | -             |
| 05/01/2014   | 7,170,000.00            | 5.000%   | 2,756,250.00           | 9,926,250.00            | -                     | 9,926,250.00            | 12,682,500.00 |
| 11/01/2014   | -                       | -        | 2,577,000.00           | 2,577,000.00            | -                     | 2,577,000.00            | -             |
| 05/01/2015   | 7,170,000.00            | 5.000%   | 2,577,000.00           | 9,747,000.00            | -                     | 9,747,000.00            | 12,324,000.00 |
| 11/01/2015   | -                       | -        | 2,397,750.00           | 2,397,750.00            | -                     | 2,397,750.00            | -             |
| 05/01/2016   | 7,120,000.00            | 5.000%   | 2,397,750.00           | 9,517,750.00            | -                     | 9,517,750.00            | 11,915,500.00 |
| 11/01/2016   | -                       | -        | 2,219,750.00           | 2,219,750.00            | -                     | 2,219,750.00            | -             |
| 05/01/2017   | 6,815,000.00            | 5.000%   | 2,219,750.00           | 9,034,750.00            | -                     | 9,034,750.00            | 11,254,500.00 |
| 11/01/2017   | -                       | -        | 2,049,375.00           | 2,049,375.00            | -                     | 2,049,375.00            | -             |
| 05/01/2018   | 6,635,000.00            | 5.000%   | 2,049,375.00           | 8,684,375.00            | -                     | 8,684,375.00            | 10,733,750.00 |
| 11/01/2018   | -                       | -        | 1,883,500.00           | 1,883,500.00            | -                     | 1,883,500.00            | -             |
| 05/01/2019   | 6,560,000.00            | 5.000%   | 1,883,500.00           | 8,443,500.00            | -                     | 8,443,500.00            | 10,327,000.00 |
| 11/01/2019   | -                       | -        | 1,719,500.00           | 1,719,500.00            | -                     | 1,719,500.00            | -             |
| 05/01/2020   | 8,245,000.00            | 5.000%   | 1,719,500.00           | 9,964,500.00            | -                     | 9,964,500.00            | 11,684,000.00 |
| 11/01/2020   | -                       | -        | 1,513,375.00           | 1,513,375.00            | -                     | 1,513,375.00            | -             |
| 05/01/2021   | 6,235,000.00            | 5.000%   | 1,513,375.00           | 7,748,375.00            | -                     | 7,748,375.00            | 9,261,750.00  |
| 11/01/2021   | -                       | -        | 1,357,500.00           | 1,357,500.00            | -                     | 1,357,500.00            | -             |
| 05/01/2022   | 6,595,000.00            | 5.000%   | 1,357,500.00           | 7,952,500.00            | -                     | 7,952,500.00            | 9,310,000.00  |
| 11/01/2022   | -                       | -        | 1,192,625.00           | 1,192,625.00            | -                     | 1,192,625.00            | -             |
| 05/01/2023   | 6,880,000.00            | 5.000%   | 1,192,625.00           | 8,072,625.00            | -                     | 8,072,625.00            | 9,265,250.00  |
| 11/01/2023   | -                       | -        | 1,020,625.00           | 1,020,625.00            | -                     | 1,020,625.00            | -             |
| 05/01/2024   | 8,905,000.00            | 5.000%   | 1,020,625.00           | 9,925,625.00            | -                     | 9,925,625.00            | 10,946,250.00 |
| 11/01/2024   | -                       | -        | 798,000.00             | 798,000.00              | -                     | 798,000.00              | -             |
| 05/01/2025   | 8,385,000.00            | 5.000%   | 798,000.00             | 9,183,000.00            | -                     | 9,183,000.00            | 9,981,000.00  |
| 11/01/2025   | -                       | -        | 588,375.00             | 588,375.00              | -                     | 588,375.00              | -             |
| 05/01/2026   | 2,720,000.00            | 5.000%   | 588,375.00             | 3,308,375.00            | -                     | 3,308,375.00            | 3,896,750.00  |
| 11/01/2026   | -                       | -        | 520,375.00             | 520,375.00              | -                     | 520,375.00              | -             |
| 05/01/2027   | 2,855,000.00            | 5.000%   | 520,375.00             | 3,375,375.00            | -                     | 3,375,375.00            | 3,895,750.00  |
| 11/01/2027   | -                       | -        | 449,000.00             | 449,000.00              | -                     | 449,000.00              | -             |
| 05/01/2028   | 3,000,000.00            | 5.000%   | 449,000.00             | 3,449,000.00            | -                     | 3,449,000.00            | 3,898,000.00  |
| 11/01/2028   | -                       | -        | 374,000.00             | 374,000.00              | -                     | 374,000.00              | -             |
| 05/01/2029   | 5,830,000.00            | 5.000%   | 374,000.00             | 6,204,000.00            | -                     | 6,204,000.00            | 6,578,000.00  |
| 11/01/2029   | -                       | -        | 228,250.00             | 228,250.00              | -                     | 228,250.00              | -             |
| 05/01/2030   | 9,130,000.00            | 5.000%   | 228,250.00             | 9,358,250.00            | -                     | 9,358,250.00            | 9,586,500.00  |
| <b>Total</b> | <b>\$127,450,000.00</b> | <b>-</b> | <b>\$73,118,046.88</b> | <b>\$200,568,046.88</b> | <b>(9,373,402.89)</b> | <b>\$191,194,643.99</b> | <b>-</b>      |

**\$127,450,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr)

## Operation Of Project Construction Fund

| Date         | Principal              | Rate     | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 02/01/2009   | 92,254,071.00          | -        | 92,254,071.00          | 92,254,071.00          | -            |
| <b>Total</b> | <b>\$92,254,071.00</b> | <b>-</b> | <b>\$92,254,071.00</b> | <b>\$92,254,071.00</b> | <b>-</b>     |

### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                        |
|--|------------------------|
| Cost of Investments Purchased with Bond Proceeds | 92,254,071.00          |
| <b>Total Cost of Investments</b>                 | <b>\$92,254,071.00</b> |

|  |                        |
|--|------------------------|
| Target Cost of Investments at bond yield | <b>\$92,254,071.00</b> |
|--|------------------------|

|                              |            |
|------------------------------|------------|
| Yield to Receipt             | -          |
| Yield for Arbitrage Purposes | 4.2932746% |

**\$127,450,000**

City of Syracuse  
SIDA Bonds  
Tranche 2 (15/20 yr)

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2009   | -                     | -          | -                   | 0.04                  | -                     | 0.04         |
| 05/01/2009   | (79,485.40)           | 4.0000000% | 79,485.40           | -                     | -                     | 0.04         |
| 11/01/2009   | 4,197,719.71          | 4.0000000% | 180,970.65          | 4,378,690.36          | 4,378,690.39          | 0.01         |
| 05/01/2010   | 2,506,652.49          | 4.0000000% | 97,016.26           | 2,603,668.75          | 2,603,668.75          | 0.01         |
| 11/01/2010   | 2,344,160.53          | 4.0000000% | 46,883.21           | 2,391,043.74          | 2,391,043.75          | -            |
| <b>Total</b> | <b>\$8,969,047.33</b> | <b>-</b>   | <b>\$404,355.52</b> | <b>\$9,373,402.89</b> | <b>\$9,373,402.89</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model (PV, GIC, or Securities)        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.04           |
| Cost of Investments Purchased with Bond Proceeds | 8,969,047.33   |
| Total Cost of Investments                        | \$8,969,047.37 |
| Target Cost of Investments at bond yield         | \$8,930,160.44 |
| Actual positive or (negative) arbitrage          | (38,886.93)    |
| Yield to Receipt                                 | 3.9033327%     |
| Yield for Arbitrage Purposes                     | 4.2932746%     |

#### Composition Of Initial Deposit

|   |              |
|---|--------------|
| Original Bond Proceeds                      | 8,969,047.37 |
| Accrued Interest                            | -            |
| Cash Contribution and Prior Issue Transfers | -            |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price    | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|----------|------------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 2,590,000.00           | 101.306% | 2,623,825.40           |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 2,690,000.00           | 101.765% | 2,737,478.50           |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 2,800,000.00           | 102.933% | 2,882,124.00           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 2,920,000.00           | 106.686% | 3,115,231.20           |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 3,065,000.00           | 107.304% | 3,288,867.60           |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 3,220,000.00           | 107.799% | 3,471,127.80           |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 3,380,000.00           | 107.983% | 3,649,825.40           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 3,550,000.00           | 107.903% | 3,830,556.50           |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 3,725,000.00           | 107.724% | 4,012,719.00           |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 3,910,000.00           | 106.945% | c 4,181,549.50         |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 4,105,000.00           | 106.173% | c 4,358,401.65         |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 4,310,000.00           | 105.661% | c 4,553,989.10         |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 4,530,000.00           | 105.153% | c 4,763,430.90         |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 4,755,000.00           | 104.732% | c 4,980,006.60         |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 4,990,000.00           | 104.313% | c 5,205,218.70         |
| <b>Total</b> | -             | -      | -      | <b>\$54,540,000.00</b> | -        | <b>\$57,654,351.85</b> |

#### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$54,540,000.00 |
| Reoffering Premium or (Discount)      | 3,114,351.85    |
| Gross Production                      | \$57,654,351.85 |
| Total Underwriter's Discount (0.412%) | \$(224,868.42)  |
| Bid (105.298%)                        | 57,429,483.43   |
| Total Purchase Price                  | \$57,429,483.43 |
| Bond Year Dollars                     | \$552,740.00    |
| Average Life                          | 10.135 Years    |
| Average Coupon                        | 4.9574936%      |
| Net Interest Cost (NIC)               | 4.4347372%      |
| True Interest Cost (TIC)              | 4.2767613%      |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2009   | -                      | -        | -                      | -                      |
| 05/01/2010   | -                      | -        | 3,316,500.00           | 3,316,500.00           |
| 05/01/2011   | 2,590,000.00           | 4.000%   | 2,653,200.00           | 5,243,200.00           |
| 05/01/2012   | 2,690,000.00           | 4.000%   | 2,549,600.00           | 5,239,600.00           |
| 05/01/2013   | 2,800,000.00           | 4.250%   | 2,442,000.00           | 5,242,000.00           |
| 05/01/2014   | 2,920,000.00           | 5.000%   | 2,323,000.00           | 5,243,000.00           |
| 05/01/2015   | 3,065,000.00           | 5.000%   | 2,177,000.00           | 5,242,000.00           |
| 05/01/2016   | 3,220,000.00           | 5.000%   | 2,023,750.00           | 5,243,750.00           |
| 05/01/2017   | 3,380,000.00           | 5.000%   | 1,862,750.00           | 5,242,750.00           |
| 05/01/2018   | 3,550,000.00           | 5.000%   | 1,693,750.00           | 5,243,750.00           |
| 05/01/2019   | 3,725,000.00           | 5.000%   | 1,516,250.00           | 5,241,250.00           |
| 05/01/2020   | 3,910,000.00           | 5.000%   | 1,330,000.00           | 5,240,000.00           |
| 05/01/2021   | 4,105,000.00           | 5.000%   | 1,134,500.00           | 5,239,500.00           |
| 05/01/2022   | 4,310,000.00           | 5.000%   | 929,250.00             | 5,239,250.00           |
| 05/01/2023   | 4,530,000.00           | 5.000%   | 713,750.00             | 5,243,750.00           |
| 05/01/2024   | 4,755,000.00           | 5.000%   | 487,250.00             | 5,242,250.00           |
| 05/01/2025   | 4,990,000.00           | 5.000%   | 249,500.00             | 5,239,500.00           |
| <b>Total</b> | <b>\$54,540,000.00</b> | <b>-</b> | <b>\$27,402,050.00</b> | <b>\$81,942,050.00</b> |

#### Yield Statistics

|                   |              |
|-------------------|--------------|
| Bond Year Dollars | \$552,740.00 |
| Average Life      | 10.135 Years |
| Average Coupon    | 4.9574936%   |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.4347372% |
| True Interest Cost (TIC)          | 4.2767613% |
| Bond Yield for Arbitrage Purposes | 4.2932746% |
| All Inclusive Cost (AIC)          | 4.5857533% |

#### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1518740%   |
| Weighted Average Maturity | 10.146 Years |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2009 | -            | -      | -            | -            | -            |
| 11/01/2009 | -            | -      | 1,989,900.00 | 1,989,900.00 | -            |
| 05/01/2010 | -            | -      | 1,326,600.00 | 1,326,600.00 | -            |
| 06/30/2010 | -            | -      | -            | -            | 3,316,500.00 |
| 11/01/2010 | -            | -      | 1,326,600.00 | 1,326,600.00 | -            |
| 05/01/2011 | 2,590,000.00 | 4.000% | 1,326,600.00 | 3,916,600.00 | -            |
| 06/30/2011 | -            | -      | -            | -            | 5,243,200.00 |
| 11/01/2011 | -            | -      | 1,274,800.00 | 1,274,800.00 | -            |
| 05/01/2012 | 2,690,000.00 | 4.000% | 1,274,800.00 | 3,964,800.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | 5,239,600.00 |
| 11/01/2012 | -            | -      | 1,221,000.00 | 1,221,000.00 | -            |
| 05/01/2013 | 2,800,000.00 | 4.250% | 1,221,000.00 | 4,021,000.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | 5,242,000.00 |
| 11/01/2013 | -            | -      | 1,161,500.00 | 1,161,500.00 | -            |
| 05/01/2014 | 2,920,000.00 | 5.000% | 1,161,500.00 | 4,081,500.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 5,243,000.00 |
| 11/01/2014 | -            | -      | 1,088,500.00 | 1,088,500.00 | -            |
| 05/01/2015 | 3,065,000.00 | 5.000% | 1,088,500.00 | 4,153,500.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 5,242,000.00 |
| 11/01/2015 | -            | -      | 1,011,875.00 | 1,011,875.00 | -            |
| 05/01/2016 | 3,220,000.00 | 5.000% | 1,011,875.00 | 4,231,875.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 5,243,750.00 |
| 11/01/2016 | -            | -      | 931,375.00   | 931,375.00   | -            |
| 05/01/2017 | 3,380,000.00 | 5.000% | 931,375.00   | 4,311,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 5,242,750.00 |
| 11/01/2017 | -            | -      | 846,875.00   | 846,875.00   | -            |
| 05/01/2018 | 3,550,000.00 | 5.000% | 846,875.00   | 4,396,875.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 5,243,750.00 |
| 11/01/2018 | -            | -      | 758,125.00   | 758,125.00   | -            |
| 05/01/2019 | 3,725,000.00 | 5.000% | 758,125.00   | 4,483,125.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 5,241,250.00 |
| 11/01/2019 | -            | -      | 665,000.00   | 665,000.00   | -            |
| 05/01/2020 | 3,910,000.00 | 5.000% | 665,000.00   | 4,575,000.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 5,240,000.00 |
| 11/01/2020 | -            | -      | 567,250.00   | 567,250.00   | -            |
| 05/01/2021 | 4,105,000.00 | 5.000% | 567,250.00   | 4,672,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 5,239,500.00 |
| 11/01/2021 | -            | -      | 464,625.00   | 464,625.00   | -            |
| 05/01/2022 | 4,310,000.00 | 5.000% | 464,625.00   | 4,774,625.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 5,239,250.00 |
| 11/01/2022 | -            | -      | 356,875.00   | 356,875.00   | -            |
| 05/01/2023 | 4,530,000.00 | 5.000% | 356,875.00   | 4,886,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 5,243,750.00 |
| 11/01/2023 | -            | -      | 243,625.00   | 243,625.00   | -            |

Phase I - Tranche 2 (15/2) | Aidable - Reconstruction | 11/14/2007 | 5:34 PM

DEPFA First Albany Securities LLC

Public Finance

Page 10

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2024   | 4,755,000.00           | 5.000%   | 243,625.00             | 4,998,625.00           | -            |
| 06/30/2024   | -                      | -        | -                      | -                      | 5,242,250.00 |
| 11/01/2024   | -                      | -        | 124,750.00             | 124,750.00             | -            |
| 05/01/2025   | 4,990,000.00           | 5.000%   | 124,750.00             | 5,114,750.00           | -            |
| 06/30/2025   | -                      | -        | -                      | -                      | 5,239,500.00 |
| <b>Total</b> | <b>\$54,540,000.00</b> | <b>-</b> | <b>\$27,402,050.00</b> | <b>\$81,942,050.00</b> | <b>-</b>     |

**Yield Statistics**

|                   |              |
|-------------------|--------------|
| Bond Year Dollars | \$552,740.00 |
| Average Life      | 10.135 Years |
| Average Coupon    | 4.9574936%   |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.4347372% |
| True Interest Cost (TIC)          | 4.2767613% |
| Bond Yield for Arbitrage Purposes | 4.2932746% |
| All Inclusive Cost (AIC)          | 4.5857533% |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1518740%   |
| Weighted Average Maturity | 10.146 Years |



**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2009 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2009 | -            | -      | 1,989,900.00 | 1,989,900.00 | (1,989,900.00) | -            | -            |
| 05/01/2010 | -            | -      | 1,326,600.00 | 1,326,600.00 | (1,326,600.00) | -            | -            |
| 11/01/2010 | -            | -      | 1,326,600.00 | 1,326,600.00 | (1,326,600.00) | -            | -            |
| 05/01/2011 | 2,590,000.00 | 4.000% | 1,326,600.00 | 3,916,600.00 | -              | 3,916,600.00 | -            |
| 06/30/2011 | -            | -      | -            | -            | -              | -            | 3,916,600.00 |
| 11/01/2011 | -            | -      | 1,274,800.00 | 1,274,800.00 | -              | 1,274,800.00 | -            |
| 05/01/2012 | 2,690,000.00 | 4.000% | 1,274,800.00 | 3,964,800.00 | -              | 3,964,800.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | -              | -            | 5,239,600.00 |
| 11/01/2012 | -            | -      | 1,221,000.00 | 1,221,000.00 | -              | 1,221,000.00 | -            |
| 05/01/2013 | 2,800,000.00 | 4.250% | 1,221,000.00 | 4,021,000.00 | -              | 4,021,000.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | -              | -            | 5,242,000.00 |
| 11/01/2013 | -            | -      | 1,161,500.00 | 1,161,500.00 | -              | 1,161,500.00 | -            |
| 05/01/2014 | 2,920,000.00 | 5.000% | 1,161,500.00 | 4,081,500.00 | -              | 4,081,500.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | -              | -            | 5,243,000.00 |
| 11/01/2014 | -            | -      | 1,088,500.00 | 1,088,500.00 | -              | 1,088,500.00 | -            |
| 05/01/2015 | 3,065,000.00 | 5.000% | 1,088,500.00 | 4,153,500.00 | -              | 4,153,500.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 5,242,000.00 |
| 11/01/2015 | -            | -      | 1,011,875.00 | 1,011,875.00 | -              | 1,011,875.00 | -            |
| 05/01/2016 | 3,220,000.00 | 5.000% | 1,011,875.00 | 4,231,875.00 | -              | 4,231,875.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 5,243,750.00 |
| 11/01/2016 | -            | -      | 931,375.00   | 931,375.00   | -              | 931,375.00   | -            |
| 05/01/2017 | 3,380,000.00 | 5.000% | 931,375.00   | 4,311,375.00 | -              | 4,311,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 5,242,750.00 |
| 11/01/2017 | -            | -      | 846,875.00   | 846,875.00   | -              | 846,875.00   | -            |
| 05/01/2018 | 3,550,000.00 | 5.000% | 846,875.00   | 4,396,875.00 | -              | 4,396,875.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 5,243,750.00 |
| 11/01/2018 | -            | -      | 758,125.00   | 758,125.00   | -              | 758,125.00   | -            |
| 05/01/2019 | 3,725,000.00 | 5.000% | 758,125.00   | 4,483,125.00 | -              | 4,483,125.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 5,241,250.00 |
| 11/01/2019 | -            | -      | 665,000.00   | 665,000.00   | -              | 665,000.00   | -            |
| 05/01/2020 | 3,910,000.00 | 5.000% | 665,000.00   | 4,575,000.00 | -              | 4,575,000.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 5,240,000.00 |
| 11/01/2020 | -            | -      | 567,250.00   | 567,250.00   | -              | 567,250.00   | -            |
| 05/01/2021 | 4,105,000.00 | 5.000% | 567,250.00   | 4,672,250.00 | -              | 4,672,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 5,239,500.00 |
| 11/01/2021 | -            | -      | 464,625.00   | 464,625.00   | -              | 464,625.00   | -            |
| 05/01/2022 | 4,310,000.00 | 5.000% | 464,625.00   | 4,774,625.00 | -              | 4,774,625.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 5,239,250.00 |
| 11/01/2022 | -            | -      | 356,875.00   | 356,875.00   | -              | 356,875.00   | -            |
| 05/01/2023 | 4,530,000.00 | 5.000% | 356,875.00   | 4,886,875.00 | -              | 4,886,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 5,243,750.00 |
| 11/01/2023 | -            | -      | 243,625.00   | 243,625.00   | -              | 243,625.00   | -            |
| 05/01/2024 | 4,755,000.00 | 5.000% | 243,625.00   | 4,998,625.00 | -              | 4,998,625.00 | -            |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| <b>Date</b>  | <b>Principal</b>       | <b>Coupon</b> | <b>Interest</b>        | <b>Total P+I</b>       | <b>CIF</b>            | <b>Net New D/S</b>     | <b>Fiscal Total</b> |
|--------------|------------------------|---------------|------------------------|------------------------|-----------------------|------------------------|---------------------|
| 06/30/2024   | -                      | -             | -                      | -                      | -                     | -                      | 5,242,250.00        |
| 11/01/2024   | -                      | -             | 124,750.00             | 124,750.00             | -                     | 124,750.00             | -                   |
| 05/01/2025   | 4,990,000.00           | 5.000%        | 124,750.00             | 5,114,750.00           | -                     | 5,114,750.00           | -                   |
| 06/30/2025   | -                      | -             | -                      | -                      | -                     | -                      | 5,239,500.00        |
| <b>Total</b> | <b>\$54,540,000.00</b> | <b>-</b>      | <b>\$27,402,050.00</b> | <b>\$81,942,050.00</b> | <b>(4,643,100.00)</b> | <b>\$77,298,950.00</b> | <b>-</b>            |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

### Operation Of Project Construction Fund

| Date         | Principal              | Rate | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------|------------------------|------------------------|--------------|
| 02/01/2009   | 51,635,826.00          | -    | 51,635,826.00          | 51,635,826.00          | -            |
| <b>Total</b> | <b>\$51,635,826.00</b> | -    | <b>\$51,635,826.00</b> | <b>\$51,635,826.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                 |
|--|-----------------|
| Cost of Investments Purchased with Bond Proceeds | 51,635,826.00   |
| Total Cost of Investments                        | \$51,635,826.00 |
| Target Cost of Investments at bond yield         | \$51,635,826.00 |
| Yield to Receipt                                 | -               |
| Yield for Arbitrage Purposes                     | 4.2932746%      |

**\$54,540,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2009   | -                     | -          | -                   | 0.02                  | -                     | 0.02         |
| 05/01/2009   | (44,100.13)           | 4.0000000% | 44,100.13           | -                     | -                     | 0.02         |
| 11/01/2009   | 1,900,378.92          | 4.0000000% | 89,521.07           | 1,989,899.99          | 1,989,900.00          | 0.01         |
| 05/01/2010   | 1,275,086.51          | 4.0000000% | 51,513.49           | 1,326,600.00          | 1,326,600.00          | 0.01         |
| 11/01/2010   | 1,300,588.23          | 4.0000000% | 26,011.76           | 1,326,599.99          | 1,326,600.00          | -            |
| <b>Total</b> | <b>\$4,431,953.53</b> | <b>-</b>   | <b>\$211,146.45</b> | <b>\$4,643,100.00</b> | <b>\$4,643,100.00</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.02           |
| Cost of Investments Purchased with Bond Proceeds | 4,431,953.53   |
| Total Cost of Investments                        | \$4,431,953.55 |
| Target Cost of Investments at bond yield         | \$4,417,061.38 |
| Actual positive or (negative) arbitrage          | (14,892.17)    |
| Yield to Receipt                                 | 3.9999998%     |
| Yield for Arbitrage Purposes                     | 4.2932746%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 4,431,953.55   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price    | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|----------|------------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 1,345,000.00           | 101.306% | 1,362,565.70           |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 1,400,000.00           | 101.765% | 1,424,710.00           |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 1,455,000.00           | 102.933% | 1,497,675.15           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 1,515,000.00           | 106.686% | 1,616,292.90           |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 1,590,000.00           | 107.304% | 1,706,133.60           |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 1,670,000.00           | 107.799% | 1,800,243.30           |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 1,755,000.00           | 107.983% | 1,895,101.65           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 1,840,000.00           | 107.903% | 1,985,415.20           |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 1,935,000.00           | 107.724% | 2,084,459.40           |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 2,030,000.00           | 106.945% | 2,170,983.50           |
| 05/01/2021   | Serial Coupon | 5.000% | 4.250% | 2,130,000.00           | 106.173% | 2,261,484.90           |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 2,240,000.00           | 105.661% | 2,366,806.40           |
| 05/01/2023   | Serial Coupon | 5.000% | 4.370% | 2,350,000.00           | 105.153% | 2,471,095.50           |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 2,470,000.00           | 104.732% | 2,586,880.40           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 2,590,000.00           | 104.313% | 2,701,706.70           |
| 05/01/2026   | Serial Coupon | 5.000% | 4.510% | 2,720,000.00           | 103.979% | 2,828,228.80           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.550% | 2,855,000.00           | 103.646% | 2,959,093.30           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.590% | 3,000,000.00           | 103.315% | 3,099,450.00           |
| 05/01/2029   | Serial Coupon | 5.000% | 4.630% | 3,150,000.00           | 102.985% | 3,244,027.50           |
| 05/01/2030   | Serial Coupon | 5.000% | 4.650% | 3,305,000.00           | 102.820% | 3,398,201.00           |
| <b>Total</b> | -             | -      | -      | <b>\$43,345,000.00</b> | -        | <b>\$45,460,554.90</b> |

### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$43,345,000.00 |
| Reoffering Premium or (Discount)      | 2,115,554.90    |
| Gross Production                      | \$45,460,554.90 |
| Total Underwriter's Discount (0.412%) | \$(178,711.44)  |
| Bid (104.468%)                        | 45,281,843.46   |
| Total Purchase Price                  | \$45,281,843.46 |
| Bond Year Dollars                     | \$577,736.25    |
| Average Life                          | 13.329 Years    |
| Average Coupon                        | 4.9788588%      |
| Net Interest Cost (NIC)               | 4.6436118%      |
| True Interest Cost (TIC)              | 4.5023262%      |

Phase I - Tranche 2 (15/2 | Aidable - Addition | 11/14/2007 | 5:34 PM

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+               |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2009   | -                      | -        | -                      | -                      |
| 05/01/2010   | -                      | -        | 2,661,109.38           | 2,661,109.38           |
| 05/01/2011   | 1,345,000.00           | 4.000%   | 2,128,887.50           | 3,473,887.50           |
| 05/01/2012   | 1,400,000.00           | 4.000%   | 2,075,087.50           | 3,475,087.50           |
| 05/01/2013   | 1,455,000.00           | 4.250%   | 2,019,087.50           | 3,474,087.50           |
| 05/01/2014   | 1,515,000.00           | 5.000%   | 1,957,250.00           | 3,472,250.00           |
| 05/01/2015   | 1,590,000.00           | 5.000%   | 1,881,500.00           | 3,471,500.00           |
| 05/01/2016   | 1,670,000.00           | 5.000%   | 1,802,000.00           | 3,472,000.00           |
| 05/01/2017   | 1,755,000.00           | 5.000%   | 1,718,500.00           | 3,473,500.00           |
| 05/01/2018   | 1,840,000.00           | 5.000%   | 1,630,750.00           | 3,470,750.00           |
| 05/01/2019   | 1,935,000.00           | 5.000%   | 1,538,750.00           | 3,473,750.00           |
| 05/01/2020   | 2,030,000.00           | 5.000%   | 1,442,000.00           | 3,472,000.00           |
| 05/01/2021   | 2,130,000.00           | 5.000%   | 1,340,500.00           | 3,470,500.00           |
| 05/01/2022   | 2,240,000.00           | 5.000%   | 1,234,000.00           | 3,474,000.00           |
| 05/01/2023   | 2,350,000.00           | 5.000%   | 1,122,000.00           | 3,472,000.00           |
| 05/01/2024   | 2,470,000.00           | 5.000%   | 1,004,500.00           | 3,474,500.00           |
| 05/01/2025   | 2,590,000.00           | 5.000%   | 881,000.00             | 3,471,000.00           |
| 05/01/2026   | 2,720,000.00           | 5.000%   | 751,500.00             | 3,471,500.00           |
| 05/01/2027   | 2,855,000.00           | 5.000%   | 615,500.00             | 3,470,500.00           |
| 05/01/2028   | 3,000,000.00           | 5.000%   | 472,750.00             | 3,472,750.00           |
| 05/01/2029   | 3,150,000.00           | 5.000%   | 322,750.00             | 3,472,750.00           |
| 05/01/2030   | 3,305,000.00           | 5.000%   | 165,250.00             | 3,470,250.00           |
| <b>Total</b> | <b>\$43,345,000.00</b> | <b>-</b> | <b>\$28,764,671.88</b> | <b>\$72,109,671.88</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$577,736.25 |
| Average Life                      | 13.329 Years |
| Average Coupon                    | 4.9788588%   |
| Net Interest Cost (NIC)           | 4.6436118%   |
| True Interest Cost (TIC)          | 4.5023262%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 4.7656454%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.4118273%   |
| Weighted Average Maturity         | 13.287 Years |

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2009 | -            | -      | -            | -            | -            |
| 11/01/2009 | -            | -      | 1,596,665.63 | 1,596,665.63 | -            |
| 05/01/2010 | -            | -      | 1,064,443.75 | 1,064,443.75 | -            |
| 06/30/2010 | -            | -      | -            | -            | 2,661,109.38 |
| 11/01/2010 | -            | -      | 1,064,443.75 | 1,064,443.75 | -            |
| 05/01/2011 | 1,345,000.00 | 4.000% | 1,064,443.75 | 2,409,443.75 | -            |
| 06/30/2011 | -            | -      | -            | -            | 3,473,887.50 |
| 11/01/2011 | -            | -      | 1,037,543.75 | 1,037,543.75 | -            |
| 05/01/2012 | 1,400,000.00 | 4.000% | 1,037,543.75 | 2,437,543.75 | -            |
| 06/30/2012 | -            | -      | -            | -            | 3,475,087.50 |
| 11/01/2012 | -            | -      | 1,009,543.75 | 1,009,543.75 | -            |
| 05/01/2013 | 1,455,000.00 | 4.250% | 1,009,543.75 | 2,464,543.75 | -            |
| 06/30/2013 | -            | -      | -            | -            | 3,474,087.50 |
| 11/01/2013 | -            | -      | 978,625.00   | 978,625.00   | -            |
| 05/01/2014 | 1,515,000.00 | 5.000% | 978,625.00   | 2,493,625.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 3,472,250.00 |
| 11/01/2014 | -            | -      | 940,750.00   | 940,750.00   | -            |
| 05/01/2015 | 1,590,000.00 | 5.000% | 940,750.00   | 2,530,750.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 3,471,500.00 |
| 11/01/2015 | -            | -      | 901,000.00   | 901,000.00   | -            |
| 05/01/2016 | 1,670,000.00 | 5.000% | 901,000.00   | 2,571,000.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 3,472,000.00 |
| 11/01/2016 | -            | -      | 859,250.00   | 859,250.00   | -            |
| 05/01/2017 | 1,755,000.00 | 5.000% | 859,250.00   | 2,614,250.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 3,473,500.00 |
| 11/01/2017 | -            | -      | 815,375.00   | 815,375.00   | -            |
| 05/01/2018 | 1,840,000.00 | 5.000% | 815,375.00   | 2,655,375.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 3,470,750.00 |
| 11/01/2018 | -            | -      | 769,375.00   | 769,375.00   | -            |
| 05/01/2019 | 1,935,000.00 | 5.000% | 769,375.00   | 2,704,375.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 3,473,750.00 |
| 11/01/2019 | -            | -      | 721,000.00   | 721,000.00   | -            |
| 05/01/2020 | 2,030,000.00 | 5.000% | 721,000.00   | 2,751,000.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 3,472,000.00 |
| 11/01/2020 | -            | -      | 670,250.00   | 670,250.00   | -            |
| 05/01/2021 | 2,130,000.00 | 5.000% | 670,250.00   | 2,800,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 3,470,500.00 |
| 11/01/2021 | -            | -      | 617,000.00   | 617,000.00   | -            |
| 05/01/2022 | 2,240,000.00 | 5.000% | 617,000.00   | 2,857,000.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 3,474,000.00 |
| 11/01/2022 | -            | -      | 561,000.00   | 561,000.00   | -            |
| 05/01/2023 | 2,350,000.00 | 5.000% | 561,000.00   | 2,911,000.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 3,472,000.00 |
| 11/01/2023 | -            | -      | 502,250.00   | 502,250.00   | -            |

Phase I - Tranche 2 (15/20 yr) - Aidable - Addition | 11/14/2007 | 5:34 PM

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2024   | 2,470,000.00           | 5.000%   | 502,250.00             | 2,972,250.00           | -            |
| 06/30/2024   | -                      | -        | -                      | -                      | 3,474,500.00 |
| 11/01/2024   | -                      | -        | 440,500.00             | 440,500.00             | -            |
| 05/01/2025   | 2,590,000.00           | 5.000%   | 440,500.00             | 3,030,500.00           | -            |
| 06/30/2025   | -                      | -        | -                      | -                      | 3,471,000.00 |
| 11/01/2025   | -                      | -        | 375,750.00             | 375,750.00             | -            |
| 05/01/2026   | 2,720,000.00           | 5.000%   | 375,750.00             | 3,095,750.00           | -            |
| 06/30/2026   | -                      | -        | -                      | -                      | 3,471,500.00 |
| 11/01/2026   | -                      | -        | 307,750.00             | 307,750.00             | -            |
| 05/01/2027   | 2,855,000.00           | 5.000%   | 307,750.00             | 3,162,750.00           | -            |
| 06/30/2027   | -                      | -        | -                      | -                      | 3,470,500.00 |
| 11/01/2027   | -                      | -        | 236,375.00             | 236,375.00             | -            |
| 05/01/2028   | 3,000,000.00           | 5.000%   | 236,375.00             | 3,236,375.00           | -            |
| 06/30/2028   | -                      | -        | -                      | -                      | 3,472,750.00 |
| 11/01/2028   | -                      | -        | 161,375.00             | 161,375.00             | -            |
| 05/01/2029   | 3,150,000.00           | 5.000%   | 161,375.00             | 3,311,375.00           | -            |
| 06/30/2029   | -                      | -        | -                      | -                      | 3,472,750.00 |
| 11/01/2029   | -                      | -        | 82,625.00              | 82,625.00              | -            |
| 05/01/2030   | 3,305,000.00           | 5.000%   | 82,625.00              | 3,387,625.00           | -            |
| 06/30/2030   | -                      | -        | -                      | -                      | 3,470,250.00 |
| <b>Total</b> | <b>\$43,345,000.00</b> | <b>-</b> | <b>\$28,764,671.88</b> | <b>\$72,109,671.88</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$577,736.25 |
| Average Life                      | 13.329 Years |
| Average Coupon                    | 4.9788588%   |
| Net Interest Cost (NIC)           | 4.6436118%   |
| True Interest Cost (TIC)          | 4.5023262%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 4.7656454%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4118273%   |
| Weighted Average Maturity | 13.287 Years |



**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2009 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2009 | -            | -      | 1,596,665.63 | 1,596,665.63 | (1,596,665.63) | -            | -            |
| 05/01/2010 | -            | -      | 1,064,443.75 | 1,064,443.75 | (1,064,443.75) | -            | -            |
| 11/01/2010 | -            | -      | 1,064,443.75 | 1,064,443.75 | (1,064,443.75) | -            | -            |
| 05/01/2011 | 1,345,000.00 | 4.000% | 1,064,443.75 | 2,409,443.75 | -              | 2,409,443.75 | -            |
| 06/30/2011 | -            | -      | -            | -            | -              | -            | 2,409,443.75 |
| 11/01/2011 | -            | -      | 1,037,543.75 | 1,037,543.75 | -              | 1,037,543.75 | -            |
| 05/01/2012 | 1,400,000.00 | 4.000% | 1,037,543.75 | 2,437,543.75 | -              | 2,437,543.75 | -            |
| 06/30/2012 | -            | -      | -            | -            | -              | -            | 3,475,087.50 |
| 11/01/2012 | -            | -      | 1,009,543.75 | 1,009,543.75 | -              | 1,009,543.75 | -            |
| 05/01/2013 | 1,455,000.00 | 4.250% | 1,009,543.75 | 2,464,543.75 | -              | 2,464,543.75 | -            |
| 06/30/2013 | -            | -      | -            | -            | -              | -            | 3,474,087.50 |
| 11/01/2013 | -            | -      | 978,625.00   | 978,625.00   | -              | 978,625.00   | -            |
| 05/01/2014 | 1,515,000.00 | 5.000% | 978,625.00   | 2,493,625.00 | -              | 2,493,625.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | -              | -            | 3,472,250.00 |
| 11/01/2014 | -            | -      | 940,750.00   | 940,750.00   | -              | 940,750.00   | -            |
| 05/01/2015 | 1,590,000.00 | 5.000% | 940,750.00   | 2,530,750.00 | -              | 2,530,750.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 3,471,500.00 |
| 11/01/2015 | -            | -      | 901,000.00   | 901,000.00   | -              | 901,000.00   | -            |
| 05/01/2016 | 1,670,000.00 | 5.000% | 901,000.00   | 2,571,000.00 | -              | 2,571,000.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 3,472,000.00 |
| 11/01/2016 | -            | -      | 859,250.00   | 859,250.00   | -              | 859,250.00   | -            |
| 05/01/2017 | 1,755,000.00 | 5.000% | 859,250.00   | 2,614,250.00 | -              | 2,614,250.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 3,473,500.00 |
| 11/01/2017 | -            | -      | 815,375.00   | 815,375.00   | -              | 815,375.00   | -            |
| 05/01/2018 | 1,840,000.00 | 5.000% | 815,375.00   | 2,655,375.00 | -              | 2,655,375.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 3,470,750.00 |
| 11/01/2018 | -            | -      | 769,375.00   | 769,375.00   | -              | 769,375.00   | -            |
| 05/01/2019 | 1,935,000.00 | 5.000% | 769,375.00   | 2,704,375.00 | -              | 2,704,375.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 3,473,750.00 |
| 11/01/2019 | -            | -      | 721,000.00   | 721,000.00   | -              | 721,000.00   | -            |
| 05/01/2020 | 2,030,000.00 | 5.000% | 721,000.00   | 2,751,000.00 | -              | 2,751,000.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 3,472,000.00 |
| 11/01/2020 | -            | -      | 670,250.00   | 670,250.00   | -              | 670,250.00   | -            |
| 05/01/2021 | 2,130,000.00 | 5.000% | 670,250.00   | 2,800,250.00 | -              | 2,800,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 3,470,500.00 |
| 11/01/2021 | -            | -      | 617,000.00   | 617,000.00   | -              | 617,000.00   | -            |
| 05/01/2022 | 2,240,000.00 | 5.000% | 617,000.00   | 2,857,000.00 | -              | 2,857,000.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 3,474,000.00 |
| 11/01/2022 | -            | -      | 561,000.00   | 561,000.00   | -              | 561,000.00   | -            |
| 05/01/2023 | 2,350,000.00 | 5.000% | 561,000.00   | 2,911,000.00 | -              | 2,911,000.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 3,472,000.00 |
| 11/01/2023 | -            | -      | 502,250.00   | 502,250.00   | -              | 502,250.00   | -            |
| 05/01/2024 | 2,470,000.00 | 5.000% | 502,250.00   | 2,972,250.00 | -              | 2,972,250.00 | -            |

Phase 1 - Tranche 2 (15/2 | Aidable - Addition | 11/14/2007 | 5:34 PM

DEPFA First Albany Securities LLC

Public Finance

Page 20

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

### Net Debt Service Schedule

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+i              | CIF                   | Net New D/S            | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|-----------------------|------------------------|--------------|
| 06/30/2024   | -                      | -        | -                      | -                      | -                     | -                      | 3,474,500.00 |
| 11/01/2024   | -                      | -        | 440,500.00             | 440,500.00             | -                     | 440,500.00             | -            |
| 05/01/2025   | 2,590,000.00           | 5.000%   | 440,500.00             | 3,030,500.00           | -                     | 3,030,500.00           | -            |
| 06/30/2025   | -                      | -        | -                      | -                      | -                     | -                      | 3,471,000.00 |
| 11/01/2025   | -                      | -        | 375,750.00             | 375,750.00             | -                     | 375,750.00             | -            |
| 05/01/2026   | 2,720,000.00           | 5.000%   | 375,750.00             | 3,095,750.00           | -                     | 3,095,750.00           | -            |
| 06/30/2026   | -                      | -        | -                      | -                      | -                     | -                      | 3,471,500.00 |
| 11/01/2026   | -                      | -        | 307,750.00             | 307,750.00             | -                     | 307,750.00             | -            |
| 05/01/2027   | 2,855,000.00           | 5.000%   | 307,750.00             | 3,162,750.00           | -                     | 3,162,750.00           | -            |
| 06/30/2027   | -                      | -        | -                      | -                      | -                     | -                      | 3,470,500.00 |
| 11/01/2027   | -                      | -        | 236,375.00             | 236,375.00             | -                     | 236,375.00             | -            |
| 05/01/2028   | 3,000,000.00           | 5.000%   | 236,375.00             | 3,236,375.00           | -                     | 3,236,375.00           | -            |
| 06/30/2028   | -                      | -        | -                      | -                      | -                     | -                      | 3,472,750.00 |
| 11/01/2028   | -                      | -        | 161,375.00             | 161,375.00             | -                     | 161,375.00             | -            |
| 05/01/2029   | 3,150,000.00           | 5.000%   | 161,375.00             | 3,311,375.00           | -                     | 3,311,375.00           | -            |
| 06/30/2029   | -                      | -        | -                      | -                      | -                     | -                      | 3,472,750.00 |
| 11/01/2029   | -                      | -        | 82,625.00              | 82,625.00              | -                     | 82,625.00              | -            |
| 05/01/2030   | 3,305,000.00           | 5.000%   | 82,625.00              | 3,387,625.00           | -                     | 3,387,625.00           | -            |
| 06/30/2030   | -                      | -        | -                      | -                      | -                     | -                      | 3,470,250.00 |
| <b>Total</b> | <b>\$43,345,000.00</b> | <b>-</b> | <b>\$28,764,671.88</b> | <b>\$72,109,671.88</b> | <b>(3,725,553.13)</b> | <b>\$68,384,118.75</b> | <b>-</b>     |

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

### Operation Of Project Construction Fund

| Date         | Principal              | Rate | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------|------------------------|------------------------|--------------|
| 02/01/2009   | 40,618,245.00          | -    | 40,618,245.00          | 40,618,245.00          | -            |
| <b>Total</b> | <b>\$40,618,245.00</b> | -    | <b>\$40,618,245.00</b> | <b>\$40,618,245.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                 |
|--|-----------------|
| Cost of Investments Purchased with Bond Proceeds | 40,618,245.00   |
| Total Cost of Investments                        | \$40,618,245.00 |
| Target Cost of Investments at bond yield         | \$40,618,245.00 |
| Yield to Receipt                                 | -               |
| Yield for Arbitrage Purposes                     | 4.2932746%      |

**\$43,345,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2009   | -                     | -          | -                   | 0.01                  | -                     | 0.01         |
| 05/01/2009   | (35,385.27)           | 4.0000000% | 35,385.27           | -                     | -                     | 0.01         |
| 11/01/2009   | 1,524,835.27          | 4.0000000% | 71,830.35           | 1,596,665.62          | 1,596,665.63          | -            |
| 05/01/2010   | 1,023,110.10          | 4.0000000% | 41,333.65           | 1,064,443.75          | 1,064,443.75          | -            |
| 11/01/2010   | 1,043,572.30          | 4.0000000% | 20,871.45           | 1,064,443.75          | 1,064,443.75          | -            |
| <b>Total</b> | <b>\$3,556,132.40</b> | <b>-</b>   | <b>\$169,420.72</b> | <b>\$3,725,553.13</b> | <b>\$3,725,553.13</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.01           |
| Cost of Investments Purchased with Bond Proceeds | 3,556,132.40   |
| Total Cost of Investments                        | \$3,556,132.41 |
| Target Cost of Investments at bond yield         | \$3,544,183.17 |
| Actual positive or (negative) arbitrage          | (11,949.24)    |
| Yield to Receipt                                 | 4.0000000%     |
| Yield for Arbitrage Purposes                     | 4.2932746%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 3,556,132.41   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price    | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|----------|------------------------|
| 05/01/2011   | Serial Coupon | 4.000% | 3.390% | 225,000.00             | 101.306% | 227,938.50             |
| 05/01/2012   | Serial Coupon | 4.000% | 3.420% | 2,435,000.00           | 101.765% | 2,477,977.75           |
| 05/01/2013   | Serial Coupon | 4.250% | 3.500% | 2,260,000.00           | 102.933% | 2,326,285.80           |
| 05/01/2014   | Serial Coupon | 5.000% | 3.590% | 2,735,000.00           | 106.686% | 2,917,862.10           |
| 05/01/2015   | Serial Coupon | 5.000% | 3.680% | 2,515,000.00           | 107.304% | 2,698,695.60           |
| 05/01/2016   | Serial Coupon | 5.000% | 3.760% | 2,230,000.00           | 107.799% | 2,403,917.70           |
| 05/01/2017   | Serial Coupon | 5.000% | 3.860% | 1,680,000.00           | 107.983% | 1,814,114.40           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.970% | 1,245,000.00           | 107.903% | 1,343,392.35           |
| 05/01/2019   | Serial Coupon | 5.000% | 4.070% | 900,000.00             | 107.724% | 969,516.00             |
| 05/01/2020   | Serial Coupon | 5.000% | 4.160% | 2,305,000.00           | 106.945% | 2,465,082.25           |
| 05/01/2022   | Serial Coupon | 5.000% | 4.310% | 45,000.00              | 105.661% | 47,547.45              |
| 05/01/2024   | Serial Coupon | 5.000% | 4.420% | 1,680,000.00           | 104.732% | 1,759,497.60           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.470% | 805,000.00             | 104.313% | 839,719.65             |
| <b>Total</b> |               |        |        | <b>\$21,060,000.00</b> |          | <b>\$22,291,547.15</b> |

#### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$21,060,000.00 |
| Reoffering Premium or (Discount)      | 1,231,547.15    |
| Gross Production                      | \$22,291,547.15 |
| Total Underwriter's Discount (0.412%) | \$(86,830.38)   |
| Bid (105.436%)                        | 22,204,716.77   |
| Total Purchase Price                  | \$22,204,716.77 |
| Bond Year Dollars                     | \$164,100.00    |
| Average Life                          | 7.792 Years     |
| Average Coupon                        | 4.9047913%      |
| Net Interest Cost (NIC)               | 4.2072186%      |
| True Interest Cost (TIC)              | 4.0454510%      |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest              | Total P+I              |
|--------------|------------------------|----------|-----------------------|------------------------|
| 05/01/2009   | -                      | -        | -                     | -                      |
| 05/01/2010   | -                      | -        | 1,261,812.50          | 1,261,812.50           |
| 05/01/2011   | 225,000.00             | 4.000%   | 1,009,450.00          | 1,234,450.00           |
| 05/01/2012   | 2,435,000.00           | 4.000%   | 1,000,450.00          | 3,435,450.00           |
| 05/01/2013   | 2,260,000.00           | 4.250%   | 903,050.00            | 3,163,050.00           |
| 05/01/2014   | 2,735,000.00           | 5.000%   | 807,000.00            | 3,542,000.00           |
| 05/01/2015   | 2,515,000.00           | 5.000%   | 670,250.00            | 3,185,250.00           |
| 05/01/2016   | 2,230,000.00           | 5.000%   | 544,500.00            | 2,774,500.00           |
| 05/01/2017   | 1,680,000.00           | 5.000%   | 433,000.00            | 2,113,000.00           |
| 05/01/2018   | 1,245,000.00           | 5.000%   | 349,000.00            | 1,594,000.00           |
| 05/01/2019   | 900,000.00             | 5.000%   | 286,750.00            | 1,186,750.00           |
| 05/01/2020   | 2,305,000.00           | 5.000%   | 241,750.00            | 2,546,750.00           |
| 05/01/2021   | -                      | -        | 126,500.00            | 126,500.00             |
| 05/01/2022   | 45,000.00              | 5.000%   | 126,500.00            | 171,500.00             |
| 05/01/2023   | -                      | -        | 124,250.00            | 124,250.00             |
| 05/01/2024   | 1,680,000.00           | 5.000%   | 124,250.00            | 1,804,250.00           |
| 05/01/2025   | 805,000.00             | 5.000%   | 40,250.00             | 845,250.00             |
| <b>Total</b> | <b>\$21,060,000.00</b> | <b>-</b> | <b>\$8,048,762.50</b> | <b>\$29,108,762.50</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$164,100.00 |
| Average Life                      | 7.792 Years  |
| Average Coupon                    | 4.9047913%   |
| Net Interest Cost (NIC)           | 4.2072186%   |
| True Interest Cost (TIC)          | 4.0454510%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 4.4179485%   |

#### IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.9126026%  |
| Weighted Average Maturity | 7.816 Years |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|
| 02/01/2009 | -            | -      | -          | -            | -            |
| 11/01/2009 | -            | -      | 757,087.50 | 757,087.50   | -            |
| 05/01/2010 | -            | -      | 504,725.00 | 504,725.00   | -            |
| 06/30/2010 | -            | -      | -          | -            | 1,261,812.50 |
| 11/01/2010 | -            | -      | 504,725.00 | 504,725.00   | -            |
| 05/01/2011 | 225,000.00   | 4.000% | 504,725.00 | 729,725.00   | -            |
| 06/30/2011 | -            | -      | -          | -            | 1,234,450.00 |
| 11/01/2011 | -            | -      | 500,225.00 | 500,225.00   | -            |
| 05/01/2012 | 2,435,000.00 | 4.000% | 500,225.00 | 2,935,225.00 | -            |
| 06/30/2012 | -            | -      | -          | -            | 3,435,450.00 |
| 11/01/2012 | -            | -      | 451,525.00 | 451,525.00   | -            |
| 05/01/2013 | 2,260,000.00 | 4.250% | 451,525.00 | 2,711,525.00 | -            |
| 06/30/2013 | -            | -      | -          | -            | 3,163,050.00 |
| 11/01/2013 | -            | -      | 403,500.00 | 403,500.00   | -            |
| 05/01/2014 | 2,735,000.00 | 5.000% | 403,500.00 | 3,138,500.00 | -            |
| 06/30/2014 | -            | -      | -          | -            | 3,542,000.00 |
| 11/01/2014 | -            | -      | 335,125.00 | 335,125.00   | -            |
| 05/01/2015 | 2,515,000.00 | 5.000% | 335,125.00 | 2,850,125.00 | -            |
| 06/30/2015 | -            | -      | -          | -            | 3,185,250.00 |
| 11/01/2015 | -            | -      | 272,250.00 | 272,250.00   | -            |
| 05/01/2016 | 2,230,000.00 | 5.000% | 272,250.00 | 2,502,250.00 | -            |
| 06/30/2016 | -            | -      | -          | -            | 2,774,500.00 |
| 11/01/2016 | -            | -      | 216,500.00 | 216,500.00   | -            |
| 05/01/2017 | 1,680,000.00 | 5.000% | 216,500.00 | 1,896,500.00 | -            |
| 06/30/2017 | -            | -      | -          | -            | 2,113,000.00 |
| 11/01/2017 | -            | -      | 174,500.00 | 174,500.00   | -            |
| 05/01/2018 | 1,245,000.00 | 5.000% | 174,500.00 | 1,419,500.00 | -            |
| 06/30/2018 | -            | -      | -          | -            | 1,594,000.00 |
| 11/01/2018 | -            | -      | 143,375.00 | 143,375.00   | -            |
| 05/01/2019 | 900,000.00   | 5.000% | 143,375.00 | 1,043,375.00 | -            |
| 06/30/2019 | -            | -      | -          | -            | 1,186,750.00 |
| 11/01/2019 | -            | -      | 120,875.00 | 120,875.00   | -            |
| 05/01/2020 | 2,305,000.00 | 5.000% | 120,875.00 | 2,425,875.00 | -            |
| 06/30/2020 | -            | -      | -          | -            | 2,546,750.00 |
| 11/01/2020 | -            | -      | 63,250.00  | 63,250.00    | -            |
| 05/01/2021 | -            | -      | 63,250.00  | 63,250.00    | -            |
| 06/30/2021 | -            | -      | -          | -            | 126,500.00   |
| 11/01/2021 | -            | -      | 63,250.00  | 63,250.00    | -            |
| 05/01/2022 | 45,000.00    | 5.000% | 63,250.00  | 108,250.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | 171,500.00   |
| 11/01/2022 | -            | -      | 62,125.00  | 62,125.00    | -            |
| 05/01/2023 | -            | -      | 62,125.00  | 62,125.00    | -            |
| 06/30/2023 | -            | -      | -          | -            | 124,250.00   |
| 11/01/2023 | -            | -      | 62,125.00  | 62,125.00    | -            |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest              | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|-----------------------|------------------------|--------------|
| 05/01/2024   | 1,680,000.00           | 5.000%   | 62,125.00             | 1,742,125.00           | -            |
| 06/30/2024   | -                      | -        | -                     | -                      | 1,804,250.00 |
| 11/01/2024   | -                      | -        | 20,125.00             | 20,125.00              | -            |
| 05/01/2025   | 805,000.00             | 5.000%   | 20,125.00             | 825,125.00             | -            |
| 06/30/2025   | -                      | -        | -                     | -                      | 845,250.00   |
| <b>Total</b> | <b>\$21,060,000.00</b> | <b>-</b> | <b>\$8,048,762.50</b> | <b>\$29,108,762.50</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$164,100.00 |
| Average Life                      | 7.792 Years  |
| Average Coupon                    | 4.9047913%   |
| Net Interest Cost (NIC)           | 4.2072186%   |
| True Interest Cost (TIC)          | 4.0454510%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 4.4179485%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 3.9126026%   |
| Weighted Average Maturity         | 7.816 Years  |



**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | CIF          | Net New D/S  | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|--------------|--------------|
| 02/01/2009 | -            | -      | -          | -            | -            | -            | -            |
| 11/01/2009 | -            | -      | 757,087.50 | 757,087.50   | (473,187.26) | 283,900.24   | -            |
| 05/01/2010 | -            | -      | 504,725.00 | 504,725.00   | -            | 504,725.00   | -            |
| 06/30/2010 | -            | -      | -          | -            | -            | -            | 788,625.24   |
| 11/01/2010 | -            | -      | 504,725.00 | 504,725.00   | -            | 504,725.00   | -            |
| 05/01/2011 | 225,000.00   | 4.000% | 504,725.00 | 729,725.00   | -            | 729,725.00   | -            |
| 06/30/2011 | -            | -      | -          | -            | -            | -            | 1,234,450.00 |
| 11/01/2011 | -            | -      | 500,225.00 | 500,225.00   | -            | 500,225.00   | -            |
| 05/01/2012 | 2,435,000.00 | 4.000% | 500,225.00 | 2,935,225.00 | -            | 2,935,225.00 | -            |
| 06/30/2012 | -            | -      | -          | -            | -            | -            | 3,435,450.00 |
| 11/01/2012 | -            | -      | 451,525.00 | 451,525.00   | -            | 451,525.00   | -            |
| 05/01/2013 | 2,260,000.00 | 4.250% | 451,525.00 | 2,711,525.00 | -            | 2,711,525.00 | -            |
| 06/30/2013 | -            | -      | -          | -            | -            | -            | 3,163,050.00 |
| 11/01/2013 | -            | -      | 403,500.00 | 403,500.00   | -            | 403,500.00   | -            |
| 05/01/2014 | 2,735,000.00 | 5.000% | 403,500.00 | 3,138,500.00 | -            | 3,138,500.00 | -            |
| 06/30/2014 | -            | -      | -          | -            | -            | -            | 3,542,000.00 |
| 11/01/2014 | -            | -      | 335,125.00 | 335,125.00   | -            | 335,125.00   | -            |
| 05/01/2015 | 2,515,000.00 | 5.000% | 335,125.00 | 2,850,125.00 | -            | 2,850,125.00 | -            |
| 06/30/2015 | -            | -      | -          | -            | -            | -            | 3,185,250.00 |
| 11/01/2015 | -            | -      | 272,250.00 | 272,250.00   | -            | 272,250.00   | -            |
| 05/01/2016 | 2,230,000.00 | 5.000% | 272,250.00 | 2,502,250.00 | -            | 2,502,250.00 | -            |
| 06/30/2016 | -            | -      | -          | -            | -            | -            | 2,774,500.00 |
| 11/01/2016 | -            | -      | 216,500.00 | 216,500.00   | -            | 216,500.00   | -            |
| 05/01/2017 | 1,680,000.00 | 5.000% | 216,500.00 | 1,896,500.00 | -            | 1,896,500.00 | -            |
| 06/30/2017 | -            | -      | -          | -            | -            | -            | 2,113,000.00 |
| 11/01/2017 | -            | -      | 174,500.00 | 174,500.00   | -            | 174,500.00   | -            |
| 05/01/2018 | 1,245,000.00 | 5.000% | 174,500.00 | 1,419,500.00 | -            | 1,419,500.00 | -            |
| 06/30/2018 | -            | -      | -          | -            | -            | -            | 1,594,000.00 |
| 11/01/2018 | -            | -      | 143,375.00 | 143,375.00   | -            | 143,375.00   | -            |
| 05/01/2019 | 900,000.00   | 5.000% | 143,375.00 | 1,043,375.00 | -            | 1,043,375.00 | -            |
| 06/30/2019 | -            | -      | -          | -            | -            | -            | 1,186,750.00 |
| 11/01/2019 | -            | -      | 120,875.00 | 120,875.00   | -            | 120,875.00   | -            |
| 05/01/2020 | 2,305,000.00 | 5.000% | 120,875.00 | 2,425,875.00 | -            | 2,425,875.00 | -            |
| 06/30/2020 | -            | -      | -          | -            | -            | -            | 2,546,750.00 |
| 11/01/2020 | -            | -      | 63,250.00  | 63,250.00    | -            | 63,250.00    | -            |
| 05/01/2021 | -            | -      | 63,250.00  | 63,250.00    | -            | 63,250.00    | -            |
| 06/30/2021 | -            | -      | -          | -            | -            | -            | 126,500.00   |
| 11/01/2021 | -            | -      | 63,250.00  | 63,250.00    | -            | 63,250.00    | -            |
| 05/01/2022 | 45,000.00    | 5.000% | 63,250.00  | 108,250.00   | -            | 108,250.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | -            | -            | 171,500.00   |
| 11/01/2022 | -            | -      | 62,125.00  | 62,125.00    | -            | 62,125.00    | -            |
| 05/01/2023 | -            | -      | 62,125.00  | 62,125.00    | -            | 62,125.00    | -            |
| 06/30/2023 | -            | -      | -          | -            | -            | -            | 124,250.00   |
| 11/01/2023 | -            | -      | 62,125.00  | 62,125.00    | -            | 62,125.00    | -            |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest              | Total P+I              | CIF                 | Net New D/S            | Fiscal Total |
|--------------|------------------------|----------|-----------------------|------------------------|---------------------|------------------------|--------------|
| 05/01/2024   | 1,680,000.00           | 5.000%   | 62,125.00             | 1,742,125.00           | -                   | 1,742,125.00           | -            |
| 06/30/2024   | -                      | -        | -                     | -                      | -                   | -                      | 1,804,250.00 |
| 11/01/2024   | -                      | -        | 20,125.00             | 20,125.00              | -                   | 20,125.00              | -            |
| 05/01/2025   | 805,000.00             | 5.000%   | 20,125.00             | 825,125.00             | -                   | 825,125.00             | -            |
| 06/30/2025   | -                      | -        | -                     | -                      | -                   | -                      | 845,250.00   |
| <b>Total</b> | <b>\$21,060,000.00</b> | <b>-</b> | <b>\$8,048,762.50</b> | <b>\$29,108,762.50</b> | <b>(473,187.26)</b> | <b>\$28,635,575.24</b> | <b>-</b>     |

**\$21,060,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest          | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|-------------------|---------------------|---------------------|--------------|
| 02/01/2009   | -                   | -          | -                 | 0.01                | -                   | 0.01         |
| 11/01/2009   | 463,909.07          | 4.0000000% | 9,278.18          | 473,187.25          | 473,187.26          | -            |
| 05/01/2010   | -                   | 4.0000000% | -                 | -                   | -                   | -            |
| 11/01/2010   | -                   | 4.0000000% | -                 | -                   | -                   | -            |
| <b>Total</b> | <b>\$463,909.07</b> | <b>-</b>   | <b>\$9,278.18</b> | <b>\$473,187.26</b> | <b>\$473,187.26</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model (PV, GIC, or Securities)        | GIC          |
| Default investment yield target                  | User Defined |
| Cash Deposit                                     | 0.01         |
| Cost of Investments Purchased with Bond Proceeds | 463,909.07   |
| Total Cost of Investments                        | \$463,909.08 |
| Target Cost of Investments at bond yield         | \$458,349.68 |
| Actual positive or (negative) arbitrage          | (5,559.40)   |
| Yield to Receipt                                 | 2.6578555%   |
| Yield for Arbitrage Purposes                     | 4.2932746%   |

#### Composition Of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 463,909.08 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price      | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|------------|-----------------------|
| 05/01/2029   | Serial Coupon | 5.000% | 4.630% | 2,680,000.00          | 102.985% c | 2,759,998.00          |
| 05/01/2030   | Serial Coupon | 5.000% | 4.650% | 5,825,000.00          | 102.820% c | 5,989,265.00          |
| <b>Total</b> | -             | -      | -      | <b>\$8,505,000.00</b> | -          | <b>\$8,749,263.00</b> |

#### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$8,505,000.00 |
| Reoffering Premium or (Discount)      | 244,263.00     |
| Gross Production                      | \$8,749,263.00 |
| Total Underwriter's Discount (0.412%) | \$(35,066.12)  |
| Bid (102.460%)                        | 8,714,196.88   |
| Total Purchase Price                  | \$8,714,196.88 |
| Bond Year Dollars                     | \$178,051.25   |
| Average Life                          | 20.935 Years   |
| Average Coupon                        | 5.0000000%     |
| Net Interest Cost (NIC)               | 4.8825075%     |
| True Interest Cost (TIC)              | 4.8106011%     |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I              |
|--------------|-----------------------|----------|-----------------------|------------------------|
| 05/01/2009   | -                     | -        | -                     | -                      |
| 05/01/2010   | -                     | -        | 531,562.50            | 531,562.50             |
| 05/01/2011   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2012   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2013   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2014   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2015   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2016   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2017   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2018   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2019   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2020   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2021   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2022   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2023   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2024   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2025   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2026   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2027   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2028   | -                     | -        | 425,250.00            | 425,250.00             |
| 05/01/2029   | 2,680,000.00          | 5.000%   | 425,250.00            | 3,105,250.00           |
| 05/01/2030   | 5,825,000.00          | 5.000%   | 291,250.00            | 6,116,250.00           |
| <b>Total</b> | <b>\$8,505,000.00</b> | <b>-</b> | <b>\$8,902,562.50</b> | <b>\$17,407,562.50</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$178,051.25 |
| Average Life                      | 20.935 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.8825075%   |
| True Interest Cost (TIC)          | 4.8106011%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 5.0157640%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.7271306%   |
| Weighted Average Maturity         | 20.935 Years |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|
| 02/01/2009 | -         | -      | -          | -          | -            |
| 11/01/2009 | -         | -      | 318,937.50 | 318,937.50 | -            |
| 05/01/2010 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2010 | -         | -      | -          | -          | 531,562.50   |
| 11/01/2010 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2011 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2011 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2011 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2012 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2012 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2012 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2013 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2013 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2013 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2014 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2014 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2014 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2015 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2015 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2015 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2016 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2016 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2016 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2017 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2017 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2017 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2018 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2018 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2018 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2019 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2019 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2019 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2020 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2020 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2020 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2021 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2021 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2021 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2022 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2022 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2022 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 05/01/2023 | -         | -      | 212,625.00 | 212,625.00 | -            |
| 06/30/2023 | -         | -      | -          | -          | 425,250.00   |
| 11/01/2023 | -         | -      | 212,625.00 | 212,625.00 | -            |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|--------------|
| 05/01/2024   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 06/30/2024   | -                     | -        | -                     | -                      | 425,250.00   |
| 11/01/2024   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 05/01/2025   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 06/30/2025   | -                     | -        | -                     | -                      | 425,250.00   |
| 11/01/2025   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 05/01/2026   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 06/30/2026   | -                     | -        | -                     | -                      | 425,250.00   |
| 11/01/2026   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 05/01/2027   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 06/30/2027   | -                     | -        | -                     | -                      | 425,250.00   |
| 11/01/2027   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 05/01/2028   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 06/30/2028   | -                     | -        | -                     | -                      | 425,250.00   |
| 11/01/2028   | -                     | -        | 212,625.00            | 212,625.00             | -            |
| 05/01/2029   | 2,680,000.00          | 5.000%   | 212,625.00            | 2,892,625.00           | -            |
| 06/30/2029   | -                     | -        | -                     | -                      | 3,105,250.00 |
| 11/01/2029   | -                     | -        | 145,625.00            | 145,625.00             | -            |
| 05/01/2030   | 5,825,000.00          | 5.000%   | 145,625.00            | 5,970,625.00           | -            |
| 06/30/2030   | -                     | -        | -                     | -                      | 6,116,250.00 |
| <b>Total</b> | <b>\$8,505,000.00</b> | <b>-</b> | <b>\$8,902,562.50</b> | <b>\$17,407,562.50</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$178.05125  |
| Average Life                      | 20.935 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.8825075%   |
| True Interest Cost (TIC)          | 4.8106011%   |
| Bond Yield for Arbitrage Purposes | 4.2932746%   |
| All Inclusive Cost (AIC)          | 5.0157640%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.7271306%   |
| Weighted Average Maturity | 20.935 Years |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | CIF          | Net New D/S | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|-------------|--------------|
| 02/01/2009 | -         | -      | -          | -          | -            | -           | -            |
| 11/01/2009 | -         | -      | 318,937.50 | 318,937.50 | (318,937.50) | -           | -            |
| 05/01/2010 | -         | -      | 212,625.00 | 212,625.00 | (212,625.00) | -           | -            |
| 11/01/2010 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2011 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2011 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2011 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2012 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2012 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2012 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2013 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2013 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2013 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2014 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2014 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2014 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2015 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2015 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2015 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2016 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2016 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2016 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2017 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2017 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2017 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2018 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2018 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2018 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2019 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2019 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2019 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2020 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2020 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2020 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2021 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2021 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2021 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2022 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2022 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2022 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2023 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 06/30/2023 | -         | -      | -          | -          | -            | -           | 425,250.00   |
| 11/01/2023 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |
| 05/01/2024 | -         | -      | 212,625.00 | 212,625.00 | -            | 212,625.00  | -            |



**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+i              | CIF                  | Net New D/S            | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|----------------------|------------------------|--------------|
| 06/30/2024   | -                     | -        | -                     | -                      | -                    | -                      | 425,250.00   |
| 11/01/2024   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 05/01/2025   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 06/30/2025   | -                     | -        | -                     | -                      | -                    | -                      | 425,250.00   |
| 11/01/2025   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 05/01/2026   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 06/30/2026   | -                     | -        | -                     | -                      | -                    | -                      | 425,250.00   |
| 11/01/2026   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 05/01/2027   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 06/30/2027   | -                     | -        | -                     | -                      | -                    | -                      | 425,250.00   |
| 11/01/2027   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 05/01/2028   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 06/30/2028   | -                     | -        | -                     | -                      | -                    | -                      | 425,250.00   |
| 11/01/2028   | -                     | -        | 212,625.00            | 212,625.00             | -                    | 212,625.00             | -            |
| 05/01/2029   | 2,680,000.00          | 5.000%   | 212,625.00            | 2,892,625.00           | -                    | 2,892,625.00           | -            |
| 06/30/2029   | -                     | -        | -                     | -                      | -                    | -                      | 3,105,250.00 |
| 11/01/2029   | -                     | -        | 145,625.00            | 145,625.00             | -                    | 145,625.00             | -            |
| 05/01/2030   | 5,825,000.00          | 5.000%   | 145,625.00            | 5,970,625.00           | -                    | 5,970,625.00           | -            |
| 06/30/2030   | -                     | -        | -                     | -                      | -                    | -                      | 6,116,250.00 |
| <b>Total</b> | <b>\$8,505,000.00</b> | <b>-</b> | <b>\$8,902,562.50</b> | <b>\$17,407,562.50</b> | <b>(\$31,562.50)</b> | <b>\$16,876,000.00</b> | <b>-</b>     |

**\$8,505,000**

City of Syracuse

SIDA Bonds

Tranche 2 (15/20 yr) - Non-Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest           | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|--------------------|---------------------|---------------------|--------------|
| 02/01/2009   | -                   | -          | -                  | -                   | -                   | -            |
| 11/01/2009   | 308,596.45          | 4.0000000% | 10,341.05          | 318,937.50          | 318,937.50          | -            |
| 05/01/2010   | 208,455.88          | 4.0000000% | 4,169.12           | 212,625.00          | 212,625.00          | -            |
| 11/01/2010   | -                   | 4.0000000% | -                  | -                   | -                   | -            |
| <b>Total</b> | <b>\$517,052.33</b> | <b>-</b>   | <b>\$14,510.17</b> | <b>\$531,562.50</b> | <b>\$531,562.50</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model (PV, GIC, or Securities)        | GIC          |
| Default investment yield target                  | User Defined |
| Cost of Investments Purchased with Bond Proceeds | 517,052.33   |
| Total Cost of Investments                        | \$517,052.33 |
| Target Cost of Investments at bond yield         | \$510,566.21 |
| Actual positive or (negative) arbitrage          | (6,486.12)   |
| Yield to Receipt                                 | 2.9373805%   |
| Yield for Arbitrage Purposes                     | 4.2932746%   |

#### Composition Of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 517,052.33 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

## Total Issue Sources And Uses

Dated 02/01/2011 | Delivered 02/01/2011

|  | Aidable -<br>Reconstruction | Aidable -<br>Addition   | Non-Aidable -<br>Reconstructi<br>on | Non-Aidable -<br>Addition | Issue Summary           |
|--|-----------------------------|-------------------------|-------------------------------------|---------------------------|-------------------------|
| <b>Sources Of Funds</b>                    |                             |                         |                                     |                           |                         |
| Par Amount of Bonds                        | \$95,835,000.00             | \$103,770,000.00        | \$6,700,000.00                      | \$7,410,000.00            | \$213,715,000.00        |
| Reoffering Premium                         | 5,472,120.00                | 5,065,269.55            | 379,798.55                          | 208,962.00                | 11,126,150.10           |
| <b>Total Sources</b>                       | <b>\$101,307,120.00</b>     | <b>\$108,835,269.55</b> | <b>\$7,079,798.55</b>               | <b>\$7,618,962.00</b>     | <b>\$224,841,150.10</b> |
| <b>Uses Of Funds</b>                       |                             |                         |                                     |                           |                         |
| Total Management Fees                      | 47,917.50                   | 51,885.00               | 3,350.00                            | 3,705.00                  | 106,857.50              |
| Total Average Takedown                     | 263,546.25                  | 285,367.50              | 18,425.00                           | 20,377.50                 | 587,716.25              |
| Underwriter's Counsel                      | 71,876.25                   | 77,827.50               | 5,025.00                            | 5,557.50                  | 160,286.25              |
| SIFMA                                      | 2,875.05                    | 3,113.10                | 201.00                              | 222.30                    | 6,411.45                |
| Dalcomp                                    | 5,750.10                    | 6,226.20                | 402.00                              | 444.60                    | 12,822.90               |
| DTC  | 191.67                      | 207.54                  | 13.40                               | 14.82                     | 427.43                  |
| CUSIP                                      | 287.51                      | 311.31                  | 20.10                               | 22.23                     | 641.15                  |
| Day Loan                                   | 2,683.38                    | 2,905.56                | 187.60                              | 207.48                    | 5,984.02                |
| Costs of Issuance                          | 448,424.31                  | 485,553.19              | 31,350.16                           | 34,672.34                 | 1,000,000.00            |
| Gross Bond Insurance Premium               | 503,951.04                  | 604,249.28              | 39,683.88                           | 53,490.94                 | 1,201,375.14            |
| Surety                                     | 181,084.31                  | 196,077.83              | 12,659.94                           | 14,001.51                 | 403,823.59              |
| SBIC                                       | 666,181.73                  | 721,340.62              | 46,573.99                           | 51,509.44                 | 1,485,605.78            |
| IDA Fee                                    | 479,175.00                  | 518,850.00              | 33,500.00                           | 37,050.00                 | 1,068,575.00            |
| Deposit to Capitalized Interest (CIF) Fund | 7,787,573.12                | 8,513,787.42            | 586,250.00                          | 648,375.00                | 17,535,985.54           |
| Deposit to Project Construction Fund       | 90,842,469.00               | 97,367,080.00           | -                                   | -                         | 188,209,549.00          |
| Rounding Amount                            | 3,133.78                    | 487.50                  | 6,302,156.48                        | 6,749,311.34              | 13,055,089.10           |
| <b>Total Uses</b>                          | <b>\$101,307,120.00</b>     | <b>\$108,835,269.55</b> | <b>\$7,079,798.55</b>               | <b>\$7,618,962.00</b>     | <b>\$224,841,150.10</b> |

Phase II (15/20 yr) IDA | Issue Summary | 11/14/2007 | 6:20 PM

**\$213,715,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr)

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price    | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|----------|-------------------------|
| 05/01/2013   | Serial Coupon | 4.000% | 3.390% | 7,765,000.00            | 101.306% | 7,866,410.90            |
| 05/01/2014   | Serial Coupon | 4.000% | 3.420% | 8,075,000.00            | 101.765% | 8,217,523.75            |
| 05/01/2015   | Serial Coupon | 4.250% | 3.300% | 8,400,000.00            | 102.933% | 8,646,372.00            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.590% | 8,755,000.00            | 106.686% | 9,340,359.30            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.680% | 9,195,000.00            | 107.304% | 9,866,602.80            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.760% | 9,655,000.00            | 107.799% | 10,407,993.45           |
| 05/01/2019   | Serial Coupon | 5.000% | 3.860% | 10,135,000.00           | 107.983% | 10,944,077.05           |
| 05/01/2020   | Serial Coupon | 5.000% | 3.970% | 10,645,000.00           | 107.903% | 11,486,274.35           |
| 05/01/2021   | Serial Coupon | 5.000% | 4.070% | 13,560,000.00           | 107.724% | 14,607,374.40           |
| 05/01/2022   | Serial Coupon | 5.000% | 4.160% | 12,095,000.00           | 106.945% | 12,934,997.75           |
| 05/01/2023   | Serial Coupon | 5.000% | 4.250% | 12,320,000.00           | 106.173% | 13,080,513.60           |
| 05/01/2024   | Serial Coupon | 5.000% | 4.310% | 12,940,000.00           | 105.661% | 13,672,533.40           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.370% | 13,580,000.00           | 105.153% | 14,279,777.40           |
| 05/01/2026   | Serial Coupon | 5.000% | 4.420% | 14,265,000.00           | 104.732% | 14,940,019.80           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.470% | 18,930,000.00           | 104.313% | 19,746,450.90           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.510% | 6,515,000.00            | 103.979% | 6,774,231.85            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.550% | 6,840,000.00            | 103.646% | 7,089,386.40            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.590% | 7,180,000.00            | 103.315% | 7,418,017.00            |
| 05/01/2031   | Serial Coupon | 5.000% | 4.630% | 7,540,000.00            | 102.985% | 7,765,069.00            |
| 05/01/2032   | Serial Coupon | 5.000% | 4.650% | 15,325,000.00           | 102.820% | 15,757,165.00           |
| <b>Total</b> |               |        |        | <b>\$213,715,000.00</b> |          | <b>\$224,841,150.10</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$213,715,000.00 |
| Reoffering Premium or (Discount)      | 11,126,150.10    |
| Gross Production                      | \$224,841,150.10 |
| Total Underwriter's Discount (0.412%) | \$(881,146.95)   |
| Bid (104.794%)                        | 223,960,003.15   |
| Total Purchase Price                  | \$223,960,003.15 |
| Bond Year Dollars                     | \$2,604,798.75   |
| Average Life                          | 12.188 Years     |
| Average Coupon                        | 4.9729384%       |
| Net Interest Cost (NIC)               | 4.5796258%       |
| True Interest Cost (TIC)              | 4.4290639%       |

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

### Debt Service Schedule

| Date         | Principal               | Coupon   | Interest                | Total P+I               |
|--------------|-------------------------|----------|-------------------------|-------------------------|
| 05/01/2011   | -                       | -        | -                       | -                       |
| 05/01/2012   | -                       | -        | 13,080,437.50           | 13,080,437.50           |
| 05/01/2013   | 7,765,000.00            | 4.000%   | 10,464,350.00           | 18,229,350.00           |
| 05/01/2014   | 8,075,000.00            | 4.000%   | 10,153,750.00           | 18,228,750.00           |
| 05/01/2015   | 8,400,000.00            | 4.250%   | 9,830,750.00            | 18,230,750.00           |
| 05/01/2016   | 8,755,000.00            | 5.000%   | 9,473,750.00            | 18,228,750.00           |
| 05/01/2017   | 9,195,000.00            | 5.000%   | 9,036,000.00            | 18,231,000.00           |
| 05/01/2018   | 9,655,000.00            | 5.000%   | 8,576,250.00            | 18,231,250.00           |
| 05/01/2019   | 10,135,000.00           | 5.000%   | 8,093,500.00            | 18,228,500.00           |
| 05/01/2020   | 10,645,000.00           | 5.000%   | 7,586,750.00            | 18,231,750.00           |
| 05/01/2021   | 13,560,000.00           | 5.000%   | 7,054,500.00            | 20,614,500.00           |
| 05/01/2022   | 12,095,000.00           | 5.000%   | 6,376,500.00            | 18,471,500.00           |
| 05/01/2023   | 12,320,000.00           | 5.000%   | 5,771,750.00            | 18,091,750.00           |
| 05/01/2024   | 12,940,000.00           | 5.000%   | 5,155,750.00            | 18,095,750.00           |
| 05/01/2025   | 13,580,000.00           | 5.000%   | 4,508,750.00            | 18,088,750.00           |
| 05/01/2026   | 14,265,000.00           | 5.000%   | 3,829,750.00            | 18,094,750.00           |
| 05/01/2027   | 18,930,000.00           | 5.000%   | 3,116,500.00            | 22,046,500.00           |
| 05/01/2028   | 6,515,000.00            | 5.000%   | 2,170,000.00            | 8,685,000.00            |
| 05/01/2029   | 6,840,000.00            | 5.000%   | 1,844,250.00            | 8,684,250.00            |
| 05/01/2030   | 7,180,000.00            | 5.000%   | 1,502,250.00            | 8,682,250.00            |
| 05/01/2031   | 7,540,000.00            | 5.000%   | 1,143,250.00            | 8,683,250.00            |
| 05/01/2032   | 15,325,000.00           | 5.000%   | 766,250.00              | 16,091,250.00           |
| <b>Total</b> | <b>\$213,715,000.00</b> | <b>-</b> | <b>\$129,535,037.50</b> | <b>\$343,250,037.50</b> |

### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$2,604,798.75 |
| Average Life                      | 12.188 Years   |
| Average Coupon                    | 4.9729384%     |
| Net Interest Cost (NIC)           | 4.5796258%     |
| True Interest Cost (TIC)          | 4.4290639%     |
| Bond Yield for Arbitrage Purposes | 4.3330383%     |
| All Inclusive Cost (AIC)          | 4.6933866%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 4.3312757%     |
| Weighted Average Maturity         | 12.159 Years   |

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

**Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon | Interest                | Total P+I               | Fiscal Total  |
|--------------|-------------------------|--------|-------------------------|-------------------------|---------------|
| 02/01/2011   | -                       | -      | -                       | -                       | -             |
| 11/01/2011   | -                       | -      | 7,848,262.50            | 7,848,262.50            | -             |
| 05/01/2012   | -                       | -      | 5,232,175.00            | 5,232,175.00            | 13,080,437.50 |
| 11/01/2012   | -                       | -      | 5,232,175.00            | 5,232,175.00            | -             |
| 05/01/2013   | 7,765,000.00            | 4.000% | 5,232,175.00            | 12,997,175.00           | 18,229,350.00 |
| 11/01/2013   | -                       | -      | 5,076,875.00            | 5,076,875.00            | -             |
| 05/01/2014   | 8,075,000.00            | 4.000% | 5,076,875.00            | 13,151,875.00           | 18,228,750.00 |
| 11/01/2014   | -                       | -      | 4,915,375.00            | 4,915,375.00            | -             |
| 05/01/2015   | 8,400,000.00            | 4.250% | 4,915,375.00            | 13,315,375.00           | 18,230,750.00 |
| 11/01/2015   | -                       | -      | 4,736,875.00            | 4,736,875.00            | -             |
| 05/01/2016   | 8,755,000.00            | 5.000% | 4,736,875.00            | 13,491,875.00           | 18,228,750.00 |
| 11/01/2016   | -                       | -      | 4,518,000.00            | 4,518,000.00            | -             |
| 05/01/2017   | 9,195,000.00            | 5.000% | 4,518,000.00            | 13,713,000.00           | 18,231,000.00 |
| 11/01/2017   | -                       | -      | 4,288,125.00            | 4,288,125.00            | -             |
| 05/01/2018   | 9,655,000.00            | 5.000% | 4,288,125.00            | 13,943,125.00           | 18,231,250.00 |
| 11/01/2018   | -                       | -      | 4,046,750.00            | 4,046,750.00            | -             |
| 05/01/2019   | 10,135,000.00           | 5.000% | 4,046,750.00            | 14,181,750.00           | 18,228,500.00 |
| 11/01/2019   | -                       | -      | 3,793,375.00            | 3,793,375.00            | -             |
| 05/01/2020   | 10,645,000.00           | 5.000% | 3,793,375.00            | 14,438,375.00           | 18,231,750.00 |
| 11/01/2020   | -                       | -      | 3,527,250.00            | 3,527,250.00            | -             |
| 05/01/2021   | 13,560,000.00           | 5.000% | 3,527,250.00            | 17,087,250.00           | 20,614,500.00 |
| 11/01/2021   | -                       | -      | 3,188,250.00            | 3,188,250.00            | -             |
| 05/01/2022   | 12,095,000.00           | 5.000% | 3,188,250.00            | 15,283,250.00           | 18,471,500.00 |
| 11/01/2022   | -                       | -      | 2,885,875.00            | 2,885,875.00            | -             |
| 05/01/2023   | 12,320,000.00           | 5.000% | 2,885,875.00            | 15,205,875.00           | 18,091,750.00 |
| 11/01/2023   | -                       | -      | 2,577,875.00            | 2,577,875.00            | -             |
| 05/01/2024   | 12,940,000.00           | 5.000% | 2,577,875.00            | 15,517,875.00           | 18,095,750.00 |
| 11/01/2024   | -                       | -      | 2,254,375.00            | 2,254,375.00            | -             |
| 05/01/2025   | 13,580,000.00           | 5.000% | 2,254,375.00            | 15,834,375.00           | 18,088,750.00 |
| 11/01/2025   | -                       | -      | 1,914,875.00            | 1,914,875.00            | -             |
| 05/01/2026   | 14,265,000.00           | 5.000% | 1,914,875.00            | 16,179,875.00           | 18,094,750.00 |
| 11/01/2026   | -                       | -      | 1,558,250.00            | 1,558,250.00            | -             |
| 05/01/2027   | 18,930,000.00           | 5.000% | 1,558,250.00            | 20,488,250.00           | 22,046,500.00 |
| 11/01/2027   | -                       | -      | 1,085,000.00            | 1,085,000.00            | -             |
| 05/01/2028   | 6,515,000.00            | 5.000% | 1,085,000.00            | 7,600,000.00            | 8,685,000.00  |
| 11/01/2028   | -                       | -      | 922,125.00              | 922,125.00              | -             |
| 05/01/2029   | 6,840,000.00            | 5.000% | 922,125.00              | 7,762,125.00            | 8,684,250.00  |
| 11/01/2029   | -                       | -      | 751,125.00              | 751,125.00              | -             |
| 05/01/2030   | 7,180,000.00            | 5.000% | 751,125.00              | 7,931,125.00            | 8,682,250.00  |
| 11/01/2030   | -                       | -      | 571,625.00              | 571,625.00              | -             |
| 05/01/2031   | 7,540,000.00            | 5.000% | 571,625.00              | 8,111,625.00            | 8,683,250.00  |
| 11/01/2031   | -                       | -      | 383,125.00              | 383,125.00              | -             |
| 05/01/2032   | 15,325,000.00           | 5.000% | 383,125.00              | 15,708,125.00           | 16,091,250.00 |
| <b>Total</b> | <b>\$213,715,000.00</b> | -      | <b>\$129,535,037.50</b> | <b>\$343,250,037.50</b> | -             |

Phase II (15/20 yr) IDA | Issue Summary | 11/14/2007 | 5:35 PM

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$2,604,798.75 |
| Average Life                      | 12.188 Years   |
| Average Coupon                    | 4.9729384%     |
| Net Interest Cost (NIC)           | 4.5796258%     |
| True Interest Cost (TIC)          | 4.4290639%     |
| Bond Yield for Arbitrage Purposes | 4.3330383%     |
| All Inclusive Cost (AIC)          | 4.6933866%     |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.3312757%   |
| Weighted Average Maturity | 12.159 Years |

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

**Net Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon   | Interest                | Total P+I               |
|--------------|-------------------------|----------|-------------------------|-------------------------|
| 02/01/2011   | -                       | -        | -                       | -                       |
| 11/01/2011   | -                       | -        | 7,848,262.50            | 7,848,262.50            |
| 05/01/2012   | -                       | -        | 5,232,175.00            | 5,232,175.00            |
| 11/01/2012   | -                       | -        | 5,232,175.00            | 5,232,175.00            |
| 05/01/2013   | 7,765,000.00            | 4.000%   | 5,232,175.00            | 12,997,175.00           |
| 11/01/2013   | -                       | -        | 5,076,875.00            | 5,076,875.00            |
| 05/01/2014   | 8,075,000.00            | 4.000%   | 5,076,875.00            | 13,151,875.00           |
| 11/01/2014   | -                       | -        | 4,915,375.00            | 4,915,375.00            |
| 05/01/2015   | 8,400,000.00            | 4.250%   | 4,915,375.00            | 13,315,375.00           |
| 11/01/2015   | -                       | -        | 4,736,875.00            | 4,736,875.00            |
| 05/01/2016   | 8,755,000.00            | 5.000%   | 4,736,875.00            | 13,491,875.00           |
| 11/01/2016   | -                       | -        | 4,518,000.00            | 4,518,000.00            |
| 05/01/2017   | 9,195,000.00            | 5.000%   | 4,518,000.00            | 13,713,000.00           |
| 11/01/2017   | -                       | -        | 4,288,125.00            | 4,288,125.00            |
| 05/01/2018   | 9,655,000.00            | 5.000%   | 4,288,125.00            | 13,943,125.00           |
| 11/01/2018   | -                       | -        | 4,046,750.00            | 4,046,750.00            |
| 05/01/2019   | 10,135,000.00           | 5.000%   | 4,046,750.00            | 14,181,750.00           |
| 11/01/2019   | -                       | -        | 3,793,375.00            | 3,793,375.00            |
| 05/01/2020   | 10,645,000.00           | 5.000%   | 3,793,375.00            | 14,438,375.00           |
| 11/01/2020   | -                       | -        | 3,527,250.00            | 3,527,250.00            |
| 05/01/2021   | 13,560,000.00           | 5.000%   | 3,527,250.00            | 17,087,250.00           |
| 11/01/2021   | -                       | -        | 3,188,250.00            | 3,188,250.00            |
| 05/01/2022   | 12,095,000.00           | 5.000%   | 3,188,250.00            | 15,283,250.00           |
| 11/01/2022   | -                       | -        | 2,885,875.00            | 2,885,875.00            |
| 05/01/2023   | 12,320,000.00           | 5.000%   | 2,885,875.00            | 15,205,875.00           |
| 11/01/2023   | -                       | -        | 2,577,875.00            | 2,577,875.00            |
| 05/01/2024   | 12,940,000.00           | 5.000%   | 2,577,875.00            | 15,517,875.00           |
| 11/01/2024   | -                       | -        | 2,254,375.00            | 2,254,375.00            |
| 05/01/2025   | 13,580,000.00           | 5.000%   | 2,254,375.00            | 15,834,375.00           |
| 11/01/2025   | -                       | -        | 1,914,875.00            | 1,914,875.00            |
| 05/01/2026   | 14,265,000.00           | 5.000%   | 1,914,875.00            | 16,179,875.00           |
| 11/01/2026   | -                       | -        | 1,558,250.00            | 1,558,250.00            |
| 05/01/2027   | 18,930,000.00           | 5.000%   | 1,558,250.00            | 20,488,250.00           |
| 11/01/2027   | -                       | -        | 1,085,000.00            | 1,085,000.00            |
| 05/01/2028   | 6,515,000.00            | 5.000%   | 1,085,000.00            | 7,600,000.00            |
| 11/01/2028   | -                       | -        | 922,125.00              | 922,125.00              |
| 05/01/2029   | 6,840,000.00            | 5.000%   | 922,125.00              | 7,762,125.00            |
| 11/01/2029   | -                       | -        | 751,125.00              | 751,125.00              |
| 05/01/2030   | 7,180,000.00            | 5.000%   | 751,125.00              | 7,931,125.00            |
| 11/01/2030   | -                       | -        | 571,625.00              | 571,625.00              |
| 05/01/2031   | 7,540,000.00            | 5.000%   | 571,625.00              | 8,111,625.00            |
| 11/01/2031   | -                       | -        | 383,125.00              | 383,125.00              |
| 05/01/2032   | 15,325,000.00           | 5.000%   | 383,125.00              | 15,708,125.00           |
| <b>Total</b> | <b>\$213,715,000.00</b> | <b>-</b> | <b>\$129,535,037.50</b> | <b>\$343,250,037.50</b> |



**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

**Net Debt Service Schedule**

Part 2 of 2

| Date         | CIF                    | Net New D/S             | Fiscal Total  |
|--------------|------------------------|-------------------------|---------------|
| 02/01/2011   | -                      | -                       | -             |
| 11/01/2011   | (7,848,262.50)         | -                       | -             |
| 05/01/2012   | (5,232,175.00)         | -                       | -             |
| 11/01/2012   | (5,232,175.00)         | -                       | -             |
| 05/01/2013   | -                      | 12,997,175.00           | 12,997,175.00 |
| 11/01/2013   | -                      | 5,076,875.00            | -             |
| 05/01/2014   | -                      | 13,151,875.00           | 18,228,750.00 |
| 11/01/2014   | -                      | 4,915,375.00            | -             |
| 05/01/2015   | -                      | 13,315,375.00           | 18,230,750.00 |
| 11/01/2015   | -                      | 4,736,875.00            | -             |
| 05/01/2016   | -                      | 13,491,875.00           | 18,228,750.00 |
| 11/01/2016   | -                      | 4,518,000.00            | -             |
| 05/01/2017   | -                      | 13,713,000.00           | 18,231,000.00 |
| 11/01/2017   | -                      | 4,288,125.00            | -             |
| 05/01/2018   | -                      | 13,943,125.00           | 18,231,250.00 |
| 11/01/2018   | -                      | 4,046,750.00            | -             |
| 05/01/2019   | -                      | 14,181,750.00           | 18,228,500.00 |
| 11/01/2019   | -                      | 3,793,375.00            | -             |
| 05/01/2020   | -                      | 14,438,375.00           | 18,231,750.00 |
| 11/01/2020   | -                      | 3,527,250.00            | -             |
| 05/01/2021   | -                      | 17,087,250.00           | 20,614,500.00 |
| 11/01/2021   | -                      | 3,188,250.00            | -             |
| 05/01/2022   | -                      | 15,283,250.00           | 18,471,500.00 |
| 11/01/2022   | -                      | 2,885,875.00            | -             |
| 05/01/2023   | -                      | 15,205,875.00           | 18,091,750.00 |
| 11/01/2023   | -                      | 2,577,875.00            | -             |
| 05/01/2024   | -                      | 15,517,875.00           | 18,095,750.00 |
| 11/01/2024   | -                      | 2,254,375.00            | -             |
| 05/01/2025   | -                      | 15,834,375.00           | 18,088,750.00 |
| 11/01/2025   | -                      | 1,914,875.00            | -             |
| 05/01/2026   | -                      | 16,179,875.00           | 18,094,750.00 |
| 11/01/2026   | -                      | 1,558,250.00            | -             |
| 05/01/2027   | -                      | 20,488,250.00           | 22,046,500.00 |
| 11/01/2027   | -                      | 1,085,000.00            | -             |
| 05/01/2028   | -                      | 7,600,000.00            | 8,685,000.00  |
| 11/01/2028   | -                      | 922,125.00              | -             |
| 05/01/2029   | -                      | 7,762,125.00            | 8,684,250.00  |
| 11/01/2029   | -                      | 751,125.00              | -             |
| 05/01/2030   | -                      | 7,931,125.00            | 8,682,250.00  |
| 11/01/2030   | -                      | 571,625.00              | -             |
| 05/01/2031   | -                      | 8,111,625.00            | 8,683,250.00  |
| 11/01/2031   | -                      | 383,125.00              | -             |
| 05/01/2032   | -                      | 15,708,125.00           | 16,091,250.00 |
| <b>Total</b> | <b>(18,312,612.50)</b> | <b>\$324,937,425.00</b> | <b>-</b>      |

Phase II (15/20 yr) IDA | Issue Summary | 11/14/2007 | 5:35 PM

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

### Operation Of Project Construction Fund

| Date         | Principal               | Rate     | Receipts                | Disbursements           | Cash Balance |
|--------------|-------------------------|----------|-------------------------|-------------------------|--------------|
| 02/01/2011   | 188,209,549.00          | -        | 188,209,549.00          | 188,209,549.00          | -            |
| <b>Total</b> | <b>\$188,209,549.00</b> | <b>-</b> | <b>\$188,209,549.00</b> | <b>\$188,209,549.00</b> | <b>-</b>     |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model (PV, GIC, or Securities) | GIC          |
| Default investment yield target           | User Defined |

|  |                  |
|--|------------------|
| Cost of Investments Purchased with Bond Proceeds | 188,209,549.00   |
| Total Cost of Investments                        | \$188,209,549.00 |
| Target Cost of Investments at bond yield         | \$188,209,549.00 |
| Yield to Receipt                                 | -                |
| Yield for Arbitrage Purposes                     | 4.3330383%       |

**\$213,715,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr)

### Operation Of Capitalized Interest Fund

| Date         | Principal              | Rate       | Interest            | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------------|---------------------|------------------------|------------------------|--------------|
| 02/01/2011   | -                      | -          | -                   | 0.02                   | -                      | 0.02         |
| 05/01/2011   | (162,206.59)           | 4.0000000% | 162,206.59          | -                      | -                      | 0.02         |
| 11/01/2011   | 7,518,991.15           | -          | 329,271.35          | 7,848,262.50           | 7,848,262.50           | 0.02         |
| 05/01/2012   | 5,042,700.96           | -          | 189,474.02          | 5,232,174.98           | 5,232,175.00           | -            |
| 11/01/2012   | 5,136,500.00           | -          | 95,675.00           | 5,232,175.00           | 5,232,175.00           | -            |
| <b>Total</b> | <b>\$17,535,985.52</b> | <b>-</b>   | <b>\$776,626.96</b> | <b>\$18,312,612.50</b> | <b>\$18,312,612.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                 |
|--|-----------------|
| Investment Model (PV, GIC, or Securities)        | GIC             |
| Default investment yield target                  | User Defined    |
| Cash Deposit                                     | 0.02            |
| Cost of Investments Purchased with Bond Proceeds | 17,535,985.52   |
| Total Cost of Investments                        | \$17,535,985.54 |
| Target Cost of Investments at bond yield         | \$17,413,165.14 |
| Actual positive or (negative) arbitrage          | (122,820.40)    |
| Yield to Receipt                                 | 3.7210865%      |
| Yield for Arbitrage Purposes                     | 4.3330383%      |
| <b>Composition Of Initial Deposit</b>            |                 |
| Original Bond Proceeds                           | 17,535,985.54   |
| Accrued Interest                                 | -               |
| Cash Contribution and Prior Issue Transfers      | -               |

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price    | Dollar Price            |
|--------------|---------------|--------|--------|------------------------|----------|-------------------------|
| 05/01/2013   | Serial Coupon | 4.000% | 3.390% | 4,550,000.00           | 101.306% | 4,609,423.00            |
| 05/01/2014   | Serial Coupon | 4.000% | 3.420% | 4,730,000.00           | 101.765% | 4,813,484.50            |
| 05/01/2015   | Serial Coupon | 4.250% | 3.500% | 4,920,000.00           | 102.933% | 5,064,303.60            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.590% | 5,130,000.00           | 106.686% | 5,472,991.80            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.680% | 5,385,000.00           | 107.304% | 5,778,320.40            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.760% | 5,655,000.00           | 107.799% | 6,096,033.45            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.860% | 5,935,000.00           | 107.983% | 6,408,791.05            |
| 05/01/2020   | Serial Coupon | 5.000% | 3.970% | 6,235,000.00           | 107.903% | 6,727,752.05            |
| 05/01/2021   | Serial Coupon | 5.000% | 4.070% | 6,545,000.00           | 107.724% | 7,050,535.80            |
| 05/01/2022   | Serial Coupon | 5.000% | 4.160% | 6,875,000.00           | 106.945% | 7,352,468.75            |
| 05/01/2023   | Serial Coupon | 5.000% | 4.250% | 7,215,000.00           | 106.173% | 7,660,381.95            |
| 05/01/2024   | Serial Coupon | 5.000% | 4.310% | 7,580,000.00           | 105.661% | 8,009,103.80            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.370% | 7,955,000.00           | 105.153% | 8,364,921.15            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.420% | 8,355,000.00           | 104.732% | 8,750,358.60            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.470% | 8,770,000.00           | 104.313% | 9,148,250.10            |
| <b>Total</b> | -             | -      | -      | <b>\$95,835,000.00</b> | -        | <b>\$101,307,120.00</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$95,835,000.00  |
| Reoffering Premium or (Discount)      | 5,472,120.00     |
| Gross Production                      | \$101,307,120.00 |
| Total Underwriter's Discount (0.412%) | \$(395,127.71)   |
| Bid (105.298%)                        | 100,911,992.29   |
| Total Purchase Price                  | \$100,911,992.29 |
| Bond Year Dollars                     | \$971,278.75     |
| Average Life                          | 10.135 Years     |
| Average Coupon                        | 4.9574865%       |
| Net Interest Cost (NIC)               | 4.4347743%       |
| True Interest Cost (TIC)              | 4.2768030%       |

Phase II (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:35 PM

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I               |
|--------------|------------------------|----------|------------------------|-------------------------|
| 05/01/2011   | -                      | -        | -                      | -                       |
| 05/01/2012   | -                      | -        | 5,827,562.50           | 5,827,562.50            |
| 05/01/2013   | 4,550,000.00           | 4.000%   | 4,662,050.00           | 9,212,050.00            |
| 05/01/2014   | 4,730,000.00           | 4.000%   | 4,480,050.00           | 9,210,050.00            |
| 05/01/2015   | 4,920,000.00           | 4.250%   | 4,290,850.00           | 9,210,850.00            |
| 05/01/2016   | 5,130,000.00           | 5.000%   | 4,081,750.00           | 9,211,750.00            |
| 05/01/2017   | 5,385,000.00           | 5.000%   | 3,825,250.00           | 9,210,250.00            |
| 05/01/2018   | 5,655,000.00           | 5.000%   | 3,556,000.00           | 9,211,000.00            |
| 05/01/2019   | 5,935,000.00           | 5.000%   | 3,273,250.00           | 9,208,250.00            |
| 05/01/2020   | 6,235,000.00           | 5.000%   | 2,976,500.00           | 9,211,500.00            |
| 05/01/2021   | 6,545,000.00           | 5.000%   | 2,664,750.00           | 9,209,750.00            |
| 05/01/2022   | 6,875,000.00           | 5.000%   | 2,337,500.00           | 9,212,500.00            |
| 05/01/2023   | 7,215,000.00           | 5.000%   | 1,993,750.00           | 9,208,750.00            |
| 05/01/2024   | 7,580,000.00           | 5.000%   | 1,633,000.00           | 9,213,000.00            |
| 05/01/2025   | 7,955,000.00           | 5.000%   | 1,254,000.00           | 9,209,000.00            |
| 05/01/2026   | 8,355,000.00           | 5.000%   | 856,250.00             | 9,211,250.00            |
| 05/01/2027   | 8,770,000.00           | 5.000%   | 438,500.00             | 9,208,500.00            |
| <b>Total</b> | <b>\$95,835,000.00</b> | <b>-</b> | <b>\$48,151,012.50</b> | <b>\$143,986,012.50</b> |

### Yield Statistics

|                   |              |
|-------------------|--------------|
| Bond Year Dollars | \$971,278.75 |
| Average Life      | 10.135 Years |
| Average Coupon    | 4.9574865%   |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.4347743% |
| True Interest Cost (TIC)          | 4.2768030% |
| Bond Yield for Arbitrage Purposes | 4.3330383% |
| All Inclusive Cost (AIC)          | 4.5710979% |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1519170%   |
| Weighted Average Maturity | 10.147 Years |

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2011 | -            | -      | -            | -            | -            |
| 11/01/2011 | -            | -      | 3,496,537.50 | 3,496,537.50 | -            |
| 05/01/2012 | -            | -      | 2,331,025.00 | 2,331,025.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | 5,827,562.50 |
| 11/01/2012 | -            | -      | 2,331,025.00 | 2,331,025.00 | -            |
| 05/01/2013 | 4,550,000.00 | 4.000% | 2,331,025.00 | 6,881,025.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | 9,212,050.00 |
| 11/01/2013 | -            | -      | 2,240,025.00 | 2,240,025.00 | -            |
| 05/01/2014 | 4,730,000.00 | 4.000% | 2,240,025.00 | 6,970,025.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 9,210,050.00 |
| 11/01/2014 | -            | -      | 2,145,425.00 | 2,145,425.00 | -            |
| 05/01/2015 | 4,920,000.00 | 4.250% | 2,145,425.00 | 7,065,425.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 9,210,850.00 |
| 11/01/2015 | -            | -      | 2,040,875.00 | 2,040,875.00 | -            |
| 05/01/2016 | 5,130,000.00 | 5.000% | 2,040,875.00 | 7,170,875.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 9,211,750.00 |
| 11/01/2016 | -            | -      | 1,912,625.00 | 1,912,625.00 | -            |
| 05/01/2017 | 5,385,000.00 | 5.000% | 1,912,625.00 | 7,297,625.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 9,210,250.00 |
| 11/01/2017 | -            | -      | 1,778,000.00 | 1,778,000.00 | -            |
| 05/01/2018 | 5,655,000.00 | 5.000% | 1,778,000.00 | 7,433,000.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 9,211,000.00 |
| 11/01/2018 | -            | -      | 1,636,625.00 | 1,636,625.00 | -            |
| 05/01/2019 | 5,935,000.00 | 5.000% | 1,636,625.00 | 7,571,625.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 9,208,250.00 |
| 11/01/2019 | -            | -      | 1,488,250.00 | 1,488,250.00 | -            |
| 05/01/2020 | 6,235,000.00 | 5.000% | 1,488,250.00 | 7,723,250.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 9,211,500.00 |
| 11/01/2020 | -            | -      | 1,332,375.00 | 1,332,375.00 | -            |
| 05/01/2021 | 6,545,000.00 | 5.000% | 1,332,375.00 | 7,877,375.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 9,209,750.00 |
| 11/01/2021 | -            | -      | 1,168,750.00 | 1,168,750.00 | -            |
| 05/01/2022 | 6,875,000.00 | 5.000% | 1,168,750.00 | 8,043,750.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 9,212,500.00 |
| 11/01/2022 | -            | -      | 996,875.00   | 996,875.00   | -            |
| 05/01/2023 | 7,215,000.00 | 5.000% | 996,875.00   | 8,211,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 9,208,750.00 |
| 11/01/2023 | -            | -      | 816,500.00   | 816,500.00   | -            |
| 05/01/2024 | 7,580,000.00 | 5.000% | 816,500.00   | 8,396,500.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 9,213,000.00 |
| 11/01/2024 | -            | -      | 627,000.00   | 627,000.00   | -            |
| 05/01/2025 | 7,955,000.00 | 5.000% | 627,000.00   | 8,582,000.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 9,209,000.00 |
| 11/01/2025 | -            | -      | 428,125.00   | 428,125.00   | -            |

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I               | Fiscal Total |
|--------------|------------------------|----------|------------------------|-------------------------|--------------|
| 05/01/2026   | 8,355,000.00           | 5.000%   | 428,125.00             | 8,783,125.00            | -            |
| 06/30/2026   | -                      | -        | -                      | -                       | 9,211,250.00 |
| 11/01/2026   | -                      | -        | 219,250.00             | 219,250.00              | -            |
| 05/01/2027   | 8,770,000.00           | 5.000%   | 219,250.00             | 8,989,250.00            | -            |
| 06/30/2027   | -                      | -        | -                      | -                       | 9,208,500.00 |
| <b>Total</b> | <b>\$95,835,000.00</b> | <b>-</b> | <b>\$48,151,012.50</b> | <b>\$143,986,012.50</b> | <b>-</b>     |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$971,278.75 |
| Average Life                      | 10.135 Years |
| Average Coupon                    | 4.9574865%   |
| Net Interest Cost (NIC)           | 4.4347743%   |
| True Interest Cost (TIC)          | 4.2768030%   |
| Bond Yield for Arbitrage Purposes | 4.3330383%   |
| All Inclusive Cost (AIC)          | 4.5710979%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.1519170%   |
| Weighted Average Maturity         | 10.147 Years |

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2011 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2011 | -            | -      | 3,496,537.50 | 3,496,537.50 | (3,496,537.50) | -            | -            |
| 05/01/2012 | -            | -      | 2,331,025.00 | 2,331,025.00 | (2,331,025.00) | -            | -            |
| 11/01/2012 | -            | -      | 2,331,025.00 | 2,331,025.00 | (2,331,025.00) | -            | -            |
| 05/01/2013 | 4,550,000.00 | 4.000% | 2,331,025.00 | 6,881,025.00 | -              | 6,881,025.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | -              | -            | 6,881,025.00 |
| 11/01/2013 | -            | -      | 2,240,025.00 | 2,240,025.00 | -              | 2,240,025.00 | -            |
| 05/01/2014 | 4,730,000.00 | 4.000% | 2,240,025.00 | 6,970,025.00 | -              | 6,970,025.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | -              | -            | 9,210,050.00 |
| 11/01/2014 | -            | -      | 2,145,425.00 | 2,145,425.00 | -              | 2,145,425.00 | -            |
| 05/01/2015 | 4,920,000.00 | 4.250% | 2,145,425.00 | 7,065,425.00 | -              | 7,065,425.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 9,210,850.00 |
| 11/01/2015 | -            | -      | 2,040,875.00 | 2,040,875.00 | -              | 2,040,875.00 | -            |
| 05/01/2016 | 5,130,000.00 | 5.000% | 2,040,875.00 | 7,170,875.00 | -              | 7,170,875.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 9,211,750.00 |
| 11/01/2016 | -            | -      | 1,912,625.00 | 1,912,625.00 | -              | 1,912,625.00 | -            |
| 05/01/2017 | 5,385,000.00 | 5.000% | 1,912,625.00 | 7,297,625.00 | -              | 7,297,625.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 9,210,250.00 |
| 11/01/2017 | -            | -      | 1,778,000.00 | 1,778,000.00 | -              | 1,778,000.00 | -            |
| 05/01/2018 | 5,655,000.00 | 5.000% | 1,778,000.00 | 7,433,000.00 | -              | 7,433,000.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 9,211,000.00 |
| 11/01/2018 | -            | -      | 1,636,625.00 | 1,636,625.00 | -              | 1,636,625.00 | -            |
| 05/01/2019 | 5,935,000.00 | 5.000% | 1,636,625.00 | 7,571,625.00 | -              | 7,571,625.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 9,208,250.00 |
| 11/01/2019 | -            | -      | 1,488,250.00 | 1,488,250.00 | -              | 1,488,250.00 | -            |
| 05/01/2020 | 6,235,000.00 | 5.000% | 1,488,250.00 | 7,723,250.00 | -              | 7,723,250.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 9,211,500.00 |
| 11/01/2020 | -            | -      | 1,332,375.00 | 1,332,375.00 | -              | 1,332,375.00 | -            |
| 05/01/2021 | 6,545,000.00 | 5.000% | 1,332,375.00 | 7,877,375.00 | -              | 7,877,375.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 9,209,750.00 |
| 11/01/2021 | -            | -      | 1,168,750.00 | 1,168,750.00 | -              | 1,168,750.00 | -            |
| 05/01/2022 | 6,875,000.00 | 5.000% | 1,168,750.00 | 8,043,750.00 | -              | 8,043,750.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 9,212,500.00 |
| 11/01/2022 | -            | -      | 996,875.00   | 996,875.00   | -              | 996,875.00   | -            |
| 05/01/2023 | 7,215,000.00 | 5.000% | 996,875.00   | 8,211,875.00 | -              | 8,211,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 9,208,750.00 |
| 11/01/2023 | -            | -      | 816,500.00   | 816,500.00   | -              | 816,500.00   | -            |
| 05/01/2024 | 7,580,000.00 | 5.000% | 816,500.00   | 8,396,500.00 | -              | 8,396,500.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 9,213,000.00 |
| 11/01/2024 | -            | -      | 627,000.00   | 627,000.00   | -              | 627,000.00   | -            |
| 05/01/2025 | 7,955,000.00 | 5.000% | 627,000.00   | 8,582,000.00 | -              | 8,582,000.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 9,209,000.00 |
| 11/01/2025 | -            | -      | 428,125.00   | 428,125.00   | -              | 428,125.00   | -            |
| 05/01/2026 | 8,355,000.00 | 5.000% | 428,125.00   | 8,783,125.00 | -              | 8,783,125.00 | -            |

Phase II (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:35 PM



**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

## Net Debt Service Schedule

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total |
|--------------|------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|--------------|
| 06/30/2026   | -                      | -        | -                      | -                       | -                     | -                       | 9,211,250.00 |
| 11/01/2026   | -                      | -        | 219,250.00             | 219,250.00              | -                     | 219,250.00              | -            |
| 05/01/2027   | 8,770,000.00           | 5.000%   | 219,250.00             | 8,989,250.00            | -                     | 8,989,250.00            | -            |
| 06/30/2027   | -                      | -        | -                      | -                       | -                     | -                       | 9,208,500.00 |
| <b>Total</b> | <b>\$95,835,000.00</b> | <b>-</b> | <b>\$48,151,012.50</b> | <b>\$143,986,012.50</b> | <b>(8,158,587.50)</b> | <b>\$135,827,425.00</b> | <b>-</b>     |

Phase II (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:35 PM

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

### Operation Of Project Construction Fund

| Date         | Principal              | Rate     | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 02/01/2011   | 90,842,469.00          | -        | 90,842,469.00          | 90,842,469.00          | -            |
| <b>Total</b> | <b>\$90,842,469.00</b> | <b>-</b> | <b>\$90,842,469.00</b> | <b>\$90,842,469.00</b> | <b>-</b>     |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                 |
|--|-----------------|
| Cost of Investments Purchased with Bond Proceeds | 90,842,469.00   |
| Total Cost of Investments                        | \$90,842,469.00 |
| Target Cost of Investments at bond yield         | \$90,842,469.00 |
| Yield to Receipt                                 | -               |
| Yield for Arbitrage Purposes                     | 4.3330383%      |

**\$95,835,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2011   | -                     | -          | -                   | 0.01                  | -                     | 0.01         |
| 05/01/2011   | (77,490.20)           | 4.0000000% | 77,490.20           | -                     | -                     | 0.01         |
| 11/01/2011   | 3,339,236.23          | 4.0000000% | 157,301.27          | 3,496,537.50          | 3,496,537.50          | 0.01         |
| 05/01/2012   | 2,240,308.45          | 4.0000000% | 90,516.54           | 2,331,024.99          | 2,331,025.00          | -            |
| 11/01/2012   | 2,285,318.63          | 4.0000000% | 45,706.37           | 2,331,025.00          | 2,331,025.00          | -            |
| <b>Total</b> | <b>\$7,787,573.11</b> | <b>-</b>   | <b>\$371,014.38</b> | <b>\$8,158,587.50</b> | <b>\$8,158,587.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model (PV, GIC, or Securities)        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.01           |
| Cost of Investments Purchased with Bond Proceeds | 7,787,573.11   |
| Total Cost of Investments                        | \$7,787,573.12 |
| Target Cost of Investments at bond yield         | \$7,757,868.05 |
| Actual positive or (negative) arbitrage          | (29,705.07)    |
| Yield to Receipt                                 | 4.0000000%     |
| Yield for Arbitrage Purposes                     | 4.3330383%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 7,787,573.12   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price    | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|----------|-------------------------|
| 05/01/2013   | Serial Coupon | 4.000% | 3.390% | 3,215,000.00            | 101.306% | 3,256,987.90            |
| 05/01/2014   | Serial Coupon | 4.000% | 3.420% | 3,345,000.00            | 101.765% | 3,404,039.25            |
| 05/01/2015   | Serial Coupon | 4.250% | 3.500% | 3,480,000.00            | 102.933% | 3,582,068.40            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.590% | 3,625,000.00            | 106.686% | 3,867,367.50            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.680% | 3,810,000.00            | 107.304% | 4,088,282.40            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.760% | 4,000,000.00            | 107.799% | 4,311,960.00            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.860% | 4,200,000.00            | 107.983% | 4,535,286.00            |
| 05/01/2020   | Serial Coupon | 5.000% | 3.970% | 4,410,000.00            | 107.903% | 4,758,522.30            |
| 05/01/2021   | Serial Coupon | 5.000% | 4.070% | 4,630,000.00            | 107.724% | 4,987,621.20            |
| 05/01/2022   | Serial Coupon | 5.000% | 4.160% | 4,860,000.00            | 106.945% | 5,197,527.00            |
| 05/01/2023   | Serial Coupon | 5.000% | 4.250% | 5,105,000.00            | 106.173% | 5,420,131.65            |
| 05/01/2024   | Serial Coupon | 5.000% | 4.310% | 5,360,000.00            | 105.661% | 5,663,429.60            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.370% | 5,625,000.00            | 105.153% | 5,914,856.25            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.420% | 5,910,000.00            | 104.732% | 6,189,661.20            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.470% | 6,205,000.00            | 104.313% | 6,472,621.65            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.510% | 6,515,000.00            | 103.979% | 6,774,231.85            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.550% | 6,840,000.00            | 103.646% | 7,089,386.40            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.590% | 7,180,000.00            | 103.315% | 7,418,017.00            |
| 05/01/2031   | Serial Coupon | 5.000% | 4.630% | 7,540,000.00            | 102.985% | 7,765,069.00            |
| 05/01/2032   | Serial Coupon | 5.000% | 4.650% | 7,915,000.00            | 102.820% | 8,138,203.00            |
| <b>Total</b> | -             | -      | -      | <b>\$103,770,000.00</b> | -        | <b>\$108,835,269.55</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$103,770,000.00 |
| Reoffering Premium or (Discount)      | 5,065,269.55     |
| Gross Production                      | \$108,835,269.55 |
| Total Underwriter's Discount (0.412%) | \$(427,843.71)   |
| Bid (104.469%)                        | 108,407,425.84   |
| Total Purchase Price                  | \$108,407,425.84 |
| Bond Year Dollars                     | \$1,383,292.50   |
| Average Life                          | 13.330 Years     |
| Average Coupon                        | 4.9788928%       |
| Net Interest Cost (NIC)               | 4.6436473%       |
| True Interest Cost (TIC)              | 4.5023659%       |

Phase II (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:35 PM

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

### Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               |
|--------------|-------------------------|----------|------------------------|-------------------------|
| 05/01/2011   | -                       | -        | -                      | -                       |
| 05/01/2012   | -                       | -        | 6,371,000.00           | 6,371,000.00            |
| 05/01/2013   | 3,215,000.00            | 4.000%   | 5,096,800.00           | 8,311,800.00            |
| 05/01/2014   | 3,345,000.00            | 4.000%   | 4,968,200.00           | 8,313,200.00            |
| 05/01/2015   | 3,480,000.00            | 4.250%   | 4,834,400.00           | 8,314,400.00            |
| 05/01/2016   | 3,625,000.00            | 5.000%   | 4,686,500.00           | 8,311,500.00            |
| 05/01/2017   | 3,810,000.00            | 5.000%   | 4,505,250.00           | 8,315,250.00            |
| 05/01/2018   | 4,000,000.00            | 5.000%   | 4,314,750.00           | 8,314,750.00            |
| 05/01/2019   | 4,200,000.00            | 5.000%   | 4,114,750.00           | 8,314,750.00            |
| 05/01/2020   | 4,410,000.00            | 5.000%   | 3,904,750.00           | 8,314,750.00            |
| 05/01/2021   | 4,630,000.00            | 5.000%   | 3,684,250.00           | 8,314,250.00            |
| 05/01/2022   | 4,860,000.00            | 5.000%   | 3,452,750.00           | 8,312,750.00            |
| 05/01/2023   | 5,105,000.00            | 5.000%   | 3,209,750.00           | 8,314,750.00            |
| 05/01/2024   | 5,360,000.00            | 5.000%   | 2,954,500.00           | 8,314,500.00            |
| 05/01/2025   | 5,625,000.00            | 5.000%   | 2,686,500.00           | 8,311,500.00            |
| 05/01/2026   | 5,910,000.00            | 5.000%   | 2,405,250.00           | 8,315,250.00            |
| 05/01/2027   | 6,205,000.00            | 5.000%   | 2,109,750.00           | 8,314,750.00            |
| 05/01/2028   | 6,515,000.00            | 5.000%   | 1,799,500.00           | 8,314,500.00            |
| 05/01/2029   | 6,840,000.00            | 5.000%   | 1,473,750.00           | 8,313,750.00            |
| 05/01/2030   | 7,180,000.00            | 5.000%   | 1,131,750.00           | 8,311,750.00            |
| 05/01/2031   | 7,540,000.00            | 5.000%   | 772,750.00             | 8,312,750.00            |
| 05/01/2032   | 7,915,000.00            | 5.000%   | 395,750.00             | 8,310,750.00            |
| <b>Total</b> | <b>\$103,770,000.00</b> | <b>-</b> | <b>\$68,872,650.00</b> | <b>\$172,642,650.00</b> |

#### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,383,292.50 |
| Average Life                      | 13.330 Years   |
| Average Coupon                    | 4.9788928%     |
| Net Interest Cost (NIC)           | 4.6436473%     |
| True Interest Cost (TIC)          | 4.5023659%     |
| Bond Yield for Arbitrage Purposes | 4.3330383%     |
| All Inclusive Cost (AIC)          | 4.7534058%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 4.4118602%     |
| Weighted Average Maturity         | 13.289 Years   |

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+     | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2011 | -            | -      | -            | -            | -            |
| 11/01/2011 | -            | -      | 3,822,600.00 | 3,822,600.00 | -            |
| 05/01/2012 | -            | -      | 2,548,400.00 | 2,548,400.00 | -            |
| 06/30/2012 | -            | -      | -            | -            | 6,371,000.00 |
| 11/01/2012 | -            | -      | 2,548,400.00 | 2,548,400.00 | -            |
| 05/01/2013 | 3,215,000.00 | 4.000% | 2,548,400.00 | 5,763,400.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | 8,311,800.00 |
| 11/01/2013 | -            | -      | 2,484,100.00 | 2,484,100.00 | -            |
| 05/01/2014 | 3,345,000.00 | 4.000% | 2,484,100.00 | 5,829,100.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 8,313,200.00 |
| 11/01/2014 | -            | -      | 2,417,200.00 | 2,417,200.00 | -            |
| 05/01/2015 | 3,480,000.00 | 4.250% | 2,417,200.00 | 5,897,200.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 8,314,400.00 |
| 11/01/2015 | -            | -      | 2,343,250.00 | 2,343,250.00 | -            |
| 05/01/2016 | 3,625,000.00 | 5.000% | 2,343,250.00 | 5,968,250.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 8,311,500.00 |
| 11/01/2016 | -            | -      | 2,252,625.00 | 2,252,625.00 | -            |
| 05/01/2017 | 3,810,000.00 | 5.000% | 2,252,625.00 | 6,062,625.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 8,315,250.00 |
| 11/01/2017 | -            | -      | 2,157,375.00 | 2,157,375.00 | -            |
| 05/01/2018 | 4,000,000.00 | 5.000% | 2,157,375.00 | 6,157,375.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 8,314,750.00 |
| 11/01/2018 | -            | -      | 2,057,375.00 | 2,057,375.00 | -            |
| 05/01/2019 | 4,200,000.00 | 5.000% | 2,057,375.00 | 6,257,375.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 8,314,750.00 |
| 11/01/2019 | -            | -      | 1,952,375.00 | 1,952,375.00 | -            |
| 05/01/2020 | 4,410,000.00 | 5.000% | 1,952,375.00 | 6,362,375.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 8,314,750.00 |
| 11/01/2020 | -            | -      | 1,842,125.00 | 1,842,125.00 | -            |
| 05/01/2021 | 4,630,000.00 | 5.000% | 1,842,125.00 | 6,472,125.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 8,314,250.00 |
| 11/01/2021 | -            | -      | 1,726,375.00 | 1,726,375.00 | -            |
| 05/01/2022 | 4,860,000.00 | 5.000% | 1,726,375.00 | 6,586,375.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 8,312,750.00 |
| 11/01/2022 | -            | -      | 1,604,875.00 | 1,604,875.00 | -            |
| 05/01/2023 | 5,105,000.00 | 5.000% | 1,604,875.00 | 6,709,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 8,314,750.00 |
| 11/01/2023 | -            | -      | 1,477,250.00 | 1,477,250.00 | -            |
| 05/01/2024 | 5,360,000.00 | 5.000% | 1,477,250.00 | 6,837,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 8,314,500.00 |
| 11/01/2024 | -            | -      | 1,343,250.00 | 1,343,250.00 | -            |
| 05/01/2025 | 5,625,000.00 | 5.000% | 1,343,250.00 | 6,968,250.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 8,311,500.00 |
| 11/01/2025 | -            | -      | 1,202,625.00 | 1,202,625.00 | -            |

Phase II (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:35 PM

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|--------------|
| 05/01/2026   | 5,910,000.00            | 5.000%   | 1,202,625.00           | 7,112,625.00            | -            |
| 06/30/2026   | -                       | -        | -                      | -                       | 8,315,250.00 |
| 11/01/2026   | -                       | -        | 1,054,875.00           | 1,054,875.00            | -            |
| 05/01/2027   | 6,205,000.00            | 5.000%   | 1,054,875.00           | 7,259,875.00            | -            |
| 06/30/2027   | -                       | -        | -                      | -                       | 8,314,750.00 |
| 11/01/2027   | -                       | -        | 899,750.00             | 899,750.00              | -            |
| 05/01/2028   | 6,515,000.00            | 5.000%   | 899,750.00             | 7,414,750.00            | -            |
| 06/30/2028   | -                       | -        | -                      | -                       | 8,314,500.00 |
| 11/01/2028   | -                       | -        | 736,875.00             | 736,875.00              | -            |
| 05/01/2029   | 6,840,000.00            | 5.000%   | 736,875.00             | 7,576,875.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | 8,313,750.00 |
| 11/01/2029   | -                       | -        | 565,875.00             | 565,875.00              | -            |
| 05/01/2030   | 7,180,000.00            | 5.000%   | 565,875.00             | 7,745,875.00            | -            |
| 06/30/2030   | -                       | -        | -                      | -                       | 8,311,750.00 |
| 11/01/2030   | -                       | -        | 386,375.00             | 386,375.00              | -            |
| 05/01/2031   | 7,540,000.00            | 5.000%   | 386,375.00             | 7,926,375.00            | -            |
| 06/30/2031   | -                       | -        | -                      | -                       | 8,312,750.00 |
| 11/01/2031   | -                       | -        | 197,875.00             | 197,875.00              | -            |
| 05/01/2032   | 7,915,000.00            | 5.000%   | 197,875.00             | 8,112,875.00            | -            |
| 06/30/2032   | -                       | -        | -                      | -                       | 8,310,750.00 |
| <b>Total</b> | <b>\$103,770,000.00</b> | <b>-</b> | <b>\$68,872,650.00</b> | <b>\$172,642,650.00</b> | <b>-</b>     |

**Yield Statistics**

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,383,292.50 |
| Average Life                      | 13.330 Years   |
| Average Coupon                    | 4.9788928%     |
| Net Interest Cost (NIC)           | 4.6436473%     |
| True Interest Cost (TIC)          | 4.5023659%     |
| Bond Yield for Arbitrage Purposes | 4.3330383%     |
| All Inclusive Cost (AIC)          | 4.7534058%     |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4118602%   |
| Weighted Average Maturity | 13.289 Years |

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

### Net Debt Service Schedule

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2011 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2011 | -            | -      | 3,822,600.00 | 3,822,600.00 | (3,822,600.00) | -            | -            |
| 05/01/2012 | -            | -      | 2,548,400.00 | 2,548,400.00 | (2,548,400.00) | -            | -            |
| 11/01/2012 | -            | -      | 2,548,400.00 | 2,548,400.00 | (2,548,400.00) | -            | -            |
| 05/01/2013 | 3,215,000.00 | 4.000% | 2,548,400.00 | 5,763,400.00 | -              | 5,763,400.00 | -            |
| 06/30/2013 | -            | -      | -            | -            | -              | -            | 5,763,400.00 |
| 11/01/2013 | -            | -      | 2,484,100.00 | 2,484,100.00 | -              | 2,484,100.00 | -            |
| 05/01/2014 | 3,345,000.00 | 4.000% | 2,484,100.00 | 5,829,100.00 | -              | 5,829,100.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | -              | -            | 8,313,200.00 |
| 11/01/2014 | -            | -      | 2,417,200.00 | 2,417,200.00 | -              | 2,417,200.00 | -            |
| 05/01/2015 | 3,480,000.00 | 4.250% | 2,417,200.00 | 5,897,200.00 | -              | 5,897,200.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 8,314,400.00 |
| 11/01/2015 | -            | -      | 2,343,250.00 | 2,343,250.00 | -              | 2,343,250.00 | -            |
| 05/01/2016 | 3,625,000.00 | 5.000% | 2,343,250.00 | 5,968,250.00 | -              | 5,968,250.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 8,311,500.00 |
| 11/01/2016 | -            | -      | 2,252,625.00 | 2,252,625.00 | -              | 2,252,625.00 | -            |
| 05/01/2017 | 3,810,000.00 | 5.000% | 2,252,625.00 | 6,062,625.00 | -              | 6,062,625.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 8,315,250.00 |
| 11/01/2017 | -            | -      | 2,157,375.00 | 2,157,375.00 | -              | 2,157,375.00 | -            |
| 05/01/2018 | 4,000,000.00 | 5.000% | 2,157,375.00 | 6,157,375.00 | -              | 6,157,375.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 8,314,750.00 |
| 11/01/2018 | -            | -      | 2,057,375.00 | 2,057,375.00 | -              | 2,057,375.00 | -            |
| 05/01/2019 | 4,200,000.00 | 5.000% | 2,057,375.00 | 6,257,375.00 | -              | 6,257,375.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 8,314,750.00 |
| 11/01/2019 | -            | -      | 1,952,375.00 | 1,952,375.00 | -              | 1,952,375.00 | -            |
| 05/01/2020 | 4,410,000.00 | 5.000% | 1,952,375.00 | 6,362,375.00 | -              | 6,362,375.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 8,314,750.00 |
| 11/01/2020 | -            | -      | 1,842,125.00 | 1,842,125.00 | -              | 1,842,125.00 | -            |
| 05/01/2021 | 4,630,000.00 | 5.000% | 1,842,125.00 | 6,472,125.00 | -              | 6,472,125.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 8,314,250.00 |
| 11/01/2021 | -            | -      | 1,726,375.00 | 1,726,375.00 | -              | 1,726,375.00 | -            |
| 05/01/2022 | 4,860,000.00 | 5.000% | 1,726,375.00 | 6,586,375.00 | -              | 6,586,375.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 8,312,750.00 |
| 11/01/2022 | -            | -      | 1,604,875.00 | 1,604,875.00 | -              | 1,604,875.00 | -            |
| 05/01/2023 | 5,105,000.00 | 5.000% | 1,604,875.00 | 6,709,875.00 | -              | 6,709,875.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 8,314,750.00 |
| 11/01/2023 | -            | -      | 1,477,250.00 | 1,477,250.00 | -              | 1,477,250.00 | -            |
| 05/01/2024 | 5,360,000.00 | 5.000% | 1,477,250.00 | 6,837,250.00 | -              | 6,837,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 8,314,500.00 |
| 11/01/2024 | -            | -      | 1,343,250.00 | 1,343,250.00 | -              | 1,343,250.00 | -            |
| 05/01/2025 | 5,625,000.00 | 5.000% | 1,343,250.00 | 6,968,250.00 | -              | 6,968,250.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 8,311,500.00 |
| 11/01/2025 | -            | -      | 1,202,625.00 | 1,202,625.00 | -              | 1,202,625.00 | -            |
| 05/01/2026 | 5,910,000.00 | 5.000% | 1,202,625.00 | 7,112,625.00 | -              | 7,112,625.00 | -            |

Phase II (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 6:36 PM



**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|--------------|
| 06/30/2026   | -                       | -        | -                      | -                       | -                     | -                       | 8,315,250.00 |
| 11/01/2026   | -                       | -        | 1,054,875.00           | 1,054,875.00            | -                     | 1,054,875.00            | -            |
| 05/01/2027   | 6,205,000.00            | 5.000%   | 1,054,875.00           | 7,259,875.00            | -                     | 7,259,875.00            | -            |
| 06/30/2027   | -                       | -        | -                      | -                       | -                     | -                       | 8,314,750.00 |
| 11/01/2027   | -                       | -        | 899,750.00             | 899,750.00              | -                     | 899,750.00              | -            |
| 05/01/2028   | 6,515,000.00            | 5.000%   | 899,750.00             | 7,414,750.00            | -                     | 7,414,750.00            | -            |
| 06/30/2028   | -                       | -        | -                      | -                       | -                     | -                       | 8,314,500.00 |
| 11/01/2028   | -                       | -        | 736,875.00             | 736,875.00              | -                     | 736,875.00              | -            |
| 05/01/2029   | 6,840,000.00            | 5.000%   | 736,875.00             | 7,576,875.00            | -                     | 7,576,875.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | -                     | -                       | 8,313,750.00 |
| 11/01/2029   | -                       | -        | 565,875.00             | 565,875.00              | -                     | 565,875.00              | -            |
| 05/01/2030   | 7,180,000.00            | 5.000%   | 565,875.00             | 7,745,875.00            | -                     | 7,745,875.00            | -            |
| 06/30/2030   | -                       | -        | -                      | -                       | -                     | -                       | 8,311,750.00 |
| 11/01/2030   | -                       | -        | 386,375.00             | 386,375.00              | -                     | 386,375.00              | -            |
| 05/01/2031   | 7,540,000.00            | 5.000%   | 386,375.00             | 7,926,375.00            | -                     | 7,926,375.00            | -            |
| 06/30/2031   | -                       | -        | -                      | -                       | -                     | -                       | 8,312,750.00 |
| 11/01/2031   | -                       | -        | 197,875.00             | 197,875.00              | -                     | 197,875.00              | -            |
| 05/01/2032   | 7,915,000.00            | 5.000%   | 197,875.00             | 8,112,875.00            | -                     | 8,112,875.00            | -            |
| 06/30/2032   | -                       | -        | -                      | -                       | -                     | -                       | 8,310,750.00 |
| <b>Total</b> | <b>\$103,770,000.00</b> | <b>-</b> | <b>\$68,872,650.00</b> | <b>\$172,642,650.00</b> | <b>(8,919,400.00)</b> | <b>\$163,723,250.00</b> | <b>-</b>     |

Phase II (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:35 PM

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

## Operation Of Project Construction Fund

| Date         | Principal            | Rate | Receipts             | Disbursements        | Cash Balance |
|--------------|----------------------|------|----------------------|----------------------|--------------|
| 02/01/2011   | 97,367,080.00        | -    | 97,367,080.00        | 97,367,080.00        | -            |
| <b>Total</b> | <b>97,367,080.00</b> | -    | <b>97,367,080.00</b> | <b>97,367,080.00</b> | -            |

### Investment Parameters

|   |              |
|---|--------------|
| Investment Model (PV, GIC, or Securities) | GIC          |
| Default investment yield target           | User Defined |

|  |               |
|--|---------------|
| Cost of Investments Purchased with Bond Proceeds | 97,367,080.00 |
| Total Cost of Investments                        | 97,367,080.00 |
| Target Cost of Investments at bond yield         | 97,367,080.00 |
| Yield to Receipt                                 | -             |
| Yield for Arbitrage Purposes                     | 4.3330383%    |

**\$103,770,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2011   | -                     | -          | -                   | 0.01                  | -                     | 0.01         |
| 05/01/2011   | (84,716.39)           | 4.0000000% | 84,716.39           | -                     | -                     | 0.01         |
| 11/01/2011   | 3,650,629.92          | 4.0000000% | 171,970.08          | 3,822,600.00          | 3,822,600.00          | 0.01         |
| 05/01/2012   | 2,449,442.51          | 4.0000000% | 98,957.48           | 2,548,399.99          | 2,548,400.00          | -            |
| 11/01/2012   | 2,498,431.37          | 4.0000000% | 49,968.63           | 2,548,400.00          | 2,548,400.00          | -            |
| <b>Total</b> | <b>\$8,513,787.41</b> | <b>-</b>   | <b>\$495,612.58</b> | <b>\$8,919,400.00</b> | <b>\$8,919,400.00</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.01           |
| Cost of Investments Purchased with Bond Proceeds | 8,513,787.41   |
| Total Cost of Investments                        | \$8,513,787.42 |
| Target Cost of Investments at bond yield         | \$8,481,312.27 |
| Actual positive or (negative) arbitrage          | (32,475.15)    |
| Yield to Receipt                                 | 4.0000001%     |
| Yield for Arbitrage Purposes                     | 4.3330383%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 8,513,787.42   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    |   | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|---|-----------------------|
| 05/01/2021   | Serial Coupon | 5.000% | 4.070% | 2,385,000.00          | 107.724% |   | 2,569,217.40          |
| 05/01/2022   | Serial Coupon | 5.000% | 4.160% | 360,000.00            | 106.945% | c | 385,002.00            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.470% | 3,955,000.00          | 104.313% | c | 4,125,579.15          |
| <b>Total</b> | -             | -      | -      | <b>\$6,700,000.00</b> | -        | - | <b>\$7,079,798.55</b> |

### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$6,700,000.00 |
| Reoffering Premium or (Discount)      | 379,798.55     |
| Gross Production                      | \$7,079,798.55 |
| Total Underwriter's Discount (0.412%) | \$(27,624.10)  |
| Bid (105.256%)                        | 7,052,174.45   |
| Total Purchase Price                  | \$7,052,174.45 |
| Bond Year Dollars                     | \$92,765.00    |
| Average Life                          | 13.846 Years   |
| Average Coupon                        | 5.0000000%     |
| Net Interest Cost (NIC)               | 4.6203585%     |
| True Interest Cost (TIC)              | 4.4793165%     |

**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I              |
|--------------|-----------------------|----------|-----------------------|------------------------|
| 05/01/2011   | -                     | -        | -                     | -                      |
| 05/01/2012   | -                     | -        | 418,750.00            | 418,750.00             |
| 05/01/2013   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2014   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2015   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2016   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2017   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2018   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2019   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2020   | -                     | -        | 335,000.00            | 335,000.00             |
| 05/01/2021   | 2,385,000.00          | 5.000%   | 335,000.00            | 2,720,000.00           |
| 05/01/2022   | 360,000.00            | 5.000%   | 215,750.00            | 575,750.00             |
| 05/01/2023   | -                     | -        | 197,750.00            | 197,750.00             |
| 05/01/2024   | -                     | -        | 197,750.00            | 197,750.00             |
| 05/01/2025   | -                     | -        | 197,750.00            | 197,750.00             |
| 05/01/2026   | -                     | -        | 197,750.00            | 197,750.00             |
| 05/01/2027   | 3,955,000.00          | 5.000%   | 197,750.00            | 4,152,750.00           |
| <b>Total</b> | <b>\$6,700,000.00</b> | <b>-</b> | <b>\$4,638,250.00</b> | <b>\$11,338,250.00</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$92,765.00  |
| Average Life                      | 13.846 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.6203585%   |
| True Interest Cost (TIC)          | 4.4793165%   |
| Bond Yield for Arbitrage Purposes | 4.330383%    |
| All Inclusive Cost (AIC)          | 4.7161086%   |

#### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.3584155%   |
| Weighted Average Maturity | 13.801 Years |

**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|
| 02/01/2011 | -            | -      | -          | -            | -            |
| 11/01/2011 | -            | -      | 251,250.00 | 251,250.00   | -            |
| 05/01/2012 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2012 | -            | -      | -          | -            | 418,750.00   |
| 11/01/2012 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2013 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2013 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2013 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2014 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2014 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2014 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2015 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2015 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2015 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2016 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2016 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2016 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2017 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2017 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2017 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2018 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2018 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2018 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2019 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2019 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2019 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2020 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 06/30/2020 | -            | -      | -          | -            | 335,000.00   |
| 11/01/2020 | -            | -      | 167,500.00 | 167,500.00   | -            |
| 05/01/2021 | 2,385,000.00 | 5.000% | 167,500.00 | 2,552,500.00 | -            |
| 06/30/2021 | -            | -      | -          | -            | 2,720,000.00 |
| 11/01/2021 | -            | -      | 107,875.00 | 107,875.00   | -            |
| 05/01/2022 | 360,000.00   | 5.000% | 107,875.00 | 467,875.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | 575,750.00   |
| 11/01/2022 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 05/01/2023 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 06/30/2023 | -            | -      | -          | -            | 197,750.00   |
| 11/01/2023 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 05/01/2024 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 06/30/2024 | -            | -      | -          | -            | 197,750.00   |
| 11/01/2024 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 05/01/2025 | -            | -      | 98,875.00  | 98,875.00    | -            |
| 06/30/2025 | -            | -      | -          | -            | 197,750.00   |
| 11/01/2025 | -            | -      | 98,875.00  | 98,875.00    | -            |

Phase II (15/20 yr) IDA | Non-Aidable - Reconstruct | 11/14/2007 | 5:35 PM

DEPFA First Albany Securities LLC

Public Finance

Page 27

**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

## Debt Service Schedule

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|--------------|
| 05/01/2026   | -                     | -        | 98,875.00             | 98,875.00              | -            |
| 06/30/2026   | -                     | -        | -                     | -                      | 197,750.00   |
| 11/01/2026   | -                     | -        | 98,875.00             | 98,875.00              | -            |
| 05/01/2027   | 3,955,000.00          | 5.000%   | 98,875.00             | 4,053,875.00           | -            |
| 06/30/2027   | -                     | -        | -                     | -                      | 4,152,750.00 |
| <b>Total</b> | <b>\$6,700,000.00</b> | <b>-</b> | <b>\$4,638,250.00</b> | <b>\$11,338,250.00</b> | <b>-</b>     |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$92,765.00  |
| Average Life                      | 13.846 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.6203585%   |
| True Interest Cost (TIC)          | 4.4793165%   |
| Bond Yield for Arbitrage Purposes | 4.3330383%   |
| All Inclusive Cost (AIC)          | 4.7161086%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.3584155%   |
| Weighted Average Maturity | 13.801 Years |

**\$6,700,000**

City of Syracuse  
SIDA Bonds  
Phase II (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | CIF          | Net New D/S  | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|--------------|--------------|
| 02/01/2011 | -            | -      | -          | -            | -            | -            | -            |
| 11/01/2011 | -            | -      | 251,250.00 | 251,250.00   | (251,250.00) | -            | -            |
| 05/01/2012 | -            | -      | 167,500.00 | 167,500.00   | (167,500.00) | -            | -            |
| 11/01/2012 | -            | -      | 167,500.00 | 167,500.00   | (167,500.00) | -            | -            |
| 05/01/2013 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2013 | -            | -      | -          | -            | -            | -            | 167,500.00   |
| 11/01/2013 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2014 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2014 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2014 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2015 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2015 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2015 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2016 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2016 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2016 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2017 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2017 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2017 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2018 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2018 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2018 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2019 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2019 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2019 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2020 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 06/30/2020 | -            | -      | -          | -            | -            | -            | 335,000.00   |
| 11/01/2020 | -            | -      | 167,500.00 | 167,500.00   | -            | 167,500.00   | -            |
| 05/01/2021 | 2,385,000.00 | 5.000% | 167,500.00 | 2,552,500.00 | -            | 2,552,500.00 | -            |
| 06/30/2021 | -            | -      | -          | -            | -            | -            | 2,720,000.00 |
| 11/01/2021 | -            | -      | 107,875.00 | 107,875.00   | -            | 107,875.00   | -            |
| 05/01/2022 | 360,000.00   | 5.000% | 107,875.00 | 467,875.00   | -            | 467,875.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | -            | -            | 575,750.00   |
| 11/01/2022 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 05/01/2023 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 06/30/2023 | -            | -      | -          | -            | -            | -            | 197,750.00   |
| 11/01/2023 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 05/01/2024 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 06/30/2024 | -            | -      | -          | -            | -            | -            | 197,750.00   |
| 11/01/2024 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 05/01/2025 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 06/30/2025 | -            | -      | -          | -            | -            | -            | 197,750.00   |
| 11/01/2025 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |
| 05/01/2026 | -            | -      | 98,875.00  | 98,875.00    | -            | 98,875.00    | -            |

Phase II (15/20 yr) IDA | Non-Aidable - Reconstruct | 11/14/2007 | 5:35 PM



**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+i              | CIF                 | Net New D/S            | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|---------------------|------------------------|--------------|
| 06/30/2026   | -                     | -        | -                     | -                      | -                   | -                      | 197,750.00   |
| 11/01/2026   | -                     | -        | 98,875.00             | 98,875.00              | -                   | 98,875.00              | -            |
| 05/01/2027   | 3,955,000.00          | 5.000%   | 98,875.00             | 4,053,875.00           | -                   | 4,053,875.00           | -            |
| 06/30/2027   | -                     | -        | -                     | -                      | -                   | -                      | 4,152,750.00 |
| <b>Total</b> | <b>\$6,700,000.00</b> | <b>-</b> | <b>\$4,638,250.00</b> | <b>\$11,338,250.00</b> | <b>(586,250.00)</b> | <b>\$10,752,000.00</b> | <b>-</b>     |

**\$6,700,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate     | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|----------|---------------------|---------------------|--------------|
| 02/01/2011   | -                   | -        | -                   | -                   | -            |
| 11/01/2011   | 251,250.00          | -        | 251,250.00          | 251,250.00          | -            |
| 05/01/2012   | 167,500.00          | -        | 167,500.00          | 167,500.00          | -            |
| 11/01/2012   | 167,500.00          | -        | 167,500.00          | 167,500.00          | -            |
| <b>Total</b> | <b>\$586,250.00</b> | <b>-</b> | <b>\$586,250.00</b> | <b>\$586,250.00</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model [PV, GIC, or Securities]        | GIC          |
| Default investment yield target                  | User Defined |
| Cost of Investments Purchased with Bond Proceeds | 586,250.00   |
| Total Cost of Investments                        | \$586,250.00 |
| Target Cost of Investments at bond yield         | \$557,455.58 |
| Actual positive or (negative) arbitrage          | (28,794.42)  |
| Yield to Receipt                                 | 8.85E-15     |
| Yield for Arbitrage Purposes                     | 4.3330383%   |
| <b>Composition Of Initial Deposit</b>            |              |
| Original Bond Proceeds                           | 586,250.00   |
| Accrued Interest                                 | -            |
| Cash Contribution and Prior Issue Transfers      | -            |

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    |   | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|---|-----------------------|
| 05/01/2032   | Serial Coupon | 5.000% | 4.650% | 7,410,000.00          | 102.820% | c | 7,618,962.00          |
| <b>Total</b> | -             | -      | -      | <b>\$7,410,000.00</b> | -        | - | <b>\$7,618,962.00</b> |

#### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$7,410,000.00 |
| Reoffering Premium or (Discount)      | 208,962.00     |
| Gross Production                      | \$7,618,962.00 |
| Total Underwriter's Discount (0.412%) | \$(30,551.43)  |
| Bid (102.408%)                        | 7,588,410.57   |
| Total Purchase Price                  | \$7,588,410.57 |
| Bond Year Dollars                     | \$157,462.50   |
| Average Life                          | 21.250 Years   |
| Average Coupon                        | 5.00000000%    |
| Net Interest Cost (NIC)               | 4.8866965%     |
| True Interest Cost (TIC)              | 4.8161070%     |

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I              |
|--------------|-----------------------|----------|-----------------------|------------------------|
| 05/01/2011   | -                     | -        | -                     | -                      |
| 05/01/2012   | -                     | -        | 463,125.00            | 463,125.00             |
| 05/01/2013   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2014   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2015   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2016   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2017   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2018   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2019   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2020   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2021   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2022   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2023   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2024   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2025   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2026   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2027   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2028   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2029   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2030   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2031   | -                     | -        | 370,500.00            | 370,500.00             |
| 05/01/2032   | 7,410,000.00          | 5.000%   | 370,500.00            | 7,780,500.00           |
| <b>Total</b> | <b>\$7,410,000.00</b> | <b>-</b> | <b>\$7,873,125.00</b> | <b>\$15,283,125.00</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$157,462.50 |
| Average Life                      | 21.250 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.8866965%   |
| True Interest Cost (TIC)          | 4.8161070%   |
| Bond Yield for Arbitrage Purposes | 4.3330383%   |
| All Inclusive Cost (AIC)          | 5.0110621%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.7338009%   |
| Weighted Average Maturity         | 21.250 Years |

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|
| 02/01/2011 | -         | -      | -          | -          | -            |
| 11/01/2011 | -         | -      | 277,875.00 | 277,875.00 | -            |
| 05/01/2012 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2012 | -         | -      | -          | -          | 463,125.00   |
| 11/01/2012 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2013 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2013 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2013 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2014 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2014 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2014 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2015 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2015 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2015 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2016 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2016 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2016 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2017 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2017 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2017 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2018 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2018 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2018 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2019 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2019 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2019 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2020 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2020 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2020 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2021 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2021 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2021 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2022 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2022 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2022 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2023 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2023 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2023 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2024 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2024 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2024 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 05/01/2025 | -         | -      | 185,250.00 | 185,250.00 | -            |
| 06/30/2025 | -         | -      | -          | -          | 370,500.00   |
| 11/01/2025 | -         | -      | 185,250.00 | 185,250.00 | -            |

Phase II (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:35 PM

DEPFA First Albany Securities LLC

Public Finance

Page 34

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal            | Coupon   | Interest             | Total P+I             | Fiscal Total |
|--------------|----------------------|----------|----------------------|-----------------------|--------------|
| 05/01/2026   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2026   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2026   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2027   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2027   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2027   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2028   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2028   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2028   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2029   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2029   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2029   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2030   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2030   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2030   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2031   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 06/30/2031   | -                    | -        | -                    | -                     | 370,500.00   |
| 11/01/2031   | -                    | -        | 185,250.00           | 185,250.00            | -            |
| 05/01/2032   | 7,410,000.00         | 5.000%   | 185,250.00           | 7,595,250.00          | -            |
| 06/30/2032   | -                    | -        | -                    | -                     | 7,780,500.00 |
| <b>Total</b> | <b>57,410,000.00</b> | <b>-</b> | <b>57,873,125.00</b> | <b>515,283,125.00</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$157,462.50 |
| Average Life                      | 21.250 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.8866965%   |
| True Interest Cost (TIC)          | 4.8161070%   |
| Bond Yield for Arbitrage Purposes | 4.3330383%   |
| All Inclusive Cost (AIC)          | 5.0110621%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.7338009%   |
| Weighted Average Maturity | 21.250 Years |

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

### Net Debt Service Schedule

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | CIF          | Net New D/S | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|-------------|--------------|
| 02/01/2011 | -         | -      | -          | -          | -            | -           | -            |
| 11/01/2011 | -         | -      | 277,875.00 | 277,875.00 | (277,875.00) | -           | -            |
| 05/01/2012 | -         | -      | 185,250.00 | 185,250.00 | (185,250.00) | -           | -            |
| 11/01/2012 | -         | -      | 185,250.00 | 185,250.00 | (185,250.00) | -           | -            |
| 05/01/2013 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2013 | -         | -      | -          | -          | -            | -           | 185,250.00   |
| 11/01/2013 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2014 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2014 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2014 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2015 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2015 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2015 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2016 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2016 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2016 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2017 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2017 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2017 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2018 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2018 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2018 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2019 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2019 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2019 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2020 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2020 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2020 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2021 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2021 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2021 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2022 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2022 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2022 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2023 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2023 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2023 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2024 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2024 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2024 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2025 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 06/30/2025 | -         | -      | -          | -          | -            | -           | 370,500.00   |
| 11/01/2025 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |
| 05/01/2026 | -         | -      | 185,250.00 | 185,250.00 | -            | 185,250.00  | -            |

Phase II (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:35 PM

**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | CIF                 | Net New D/S            | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|---------------------|------------------------|--------------|
| 06/30/2026   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2026   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2027   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 06/30/2027   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2027   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2028   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 06/30/2028   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2028   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2029   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 06/30/2029   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2029   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2030   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 06/30/2030   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2030   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2031   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 06/30/2031   | -                     | -        | -                     | -                      | -                   | -                      | 370,500.00   |
| 11/01/2031   | -                     | -        | 185,250.00            | 185,250.00             | -                   | 185,250.00             | -            |
| 05/01/2032   | 7,410,000.00          | 5.000%   | 185,250.00            | 7,595,250.00           | -                   | 7,595,250.00           | -            |
| 06/30/2032   | -                     | -        | -                     | -                      | -                   | -                      | 7,780,500.00 |
| <b>Total</b> | <b>\$7,410,000.00</b> | <b>-</b> | <b>\$7,873,125.00</b> | <b>\$15,283,125.00</b> | <b>(648,375.00)</b> | <b>\$14,634,750.00</b> | <b>-</b>     |



**\$7,410,000**

City of Syracuse

SIDA Bonds

Phase II (15/20 yr) - Non-Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------|---------------------|---------------------|--------------|
| 02/01/2011   | -                   | -    | -                   | -                   | -            |
| 11/01/2011   | 277,875.00          | -    | 277,875.00          | 277,875.00          | -            |
| 05/01/2012   | 185,250.00          | -    | 185,250.00          | 185,250.00          | -            |
| 11/01/2012   | 185,250.00          | -    | 185,250.00          | 185,250.00          | -            |
| <b>Total</b> | <b>\$648,375.00</b> | -    | <b>\$648,375.00</b> | <b>\$648,375.00</b> | -            |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model (PV, GIC, or Securities)        | GIC          |
| Default investment yield target                  | User Defined |
| Cost of Investments Purchased with Bond Proceeds | 648,375.00   |
| Total Cost of Investments                        | \$648,375.00 |
| Target Cost of Investments at bond yield         | \$616,529.23 |
| Actual positive or (negative) arbitrage          | (31,845.77)  |
| Yield to Receipt                                 | 1.10E-14     |
| Yield for Arbitrage Purposes                     | 4.3330383%   |

#### Composition Of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 648,375.00 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

Phase II (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:35 PM

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

## Total Issue Sources And Uses

Part 1 of 2

Dated 02/01/2013 | Delivered 02/01/2013

|  | Aidable -<br>Reconstruction | Aidable -<br>Addition   | Non-Aidable -<br>Reconstruction |
|--|-----------------------------|-------------------------|---------------------------------|
| <b>Sources Of Funds</b>                    |                             |                         |                                 |
| Par Amount of Bonds                        | \$102,415,000.00            | \$110,435,000.00        | \$7,350,000.00                  |
| Reoffering Premium                         | 7,574,316.10                | 7,590,802.25            | 503,568.90                      |
| <b>Total Sources</b>                       | <b>\$109,989,316.10</b>     | <b>\$118,025,802.25</b> | <b>\$7,853,568.90</b>           |
| <b>Uses Of Funds</b>                       |                             |                         |                                 |
| Total Management Fees                      | 51,207.50                   | 55,217.50               | 3,675.00                        |
| Total Average Takedown                     | 281,641.25                  | 303,696.25              | 20,212.50                       |
| Underwriter's Counsel                      | 76,811.25                   | 82,826.25               | 5,512.50                        |
| SIFMA                                      | 3,072.45                    | 3,313.05                | 220.50                          |
| Dalcomp                                    | 6,144.90                    | 6,626.10                | 441.00                          |
| DTC  | 204.83                      | 220.87                  | 14.70                           |
| CUSIP                                      | 307.25                      | 331.31                  | 22.05                           |
| Day Loan                                   | 2,867.62                    | 3,092.18                | 205.80                          |
| Costs of Issuance                          | 416,143.52                  | 448,731.23              | 29,865.30                       |
| Gross Bond Insurance Premium               | 540,410.28                  | 644,478.41              | 45,807.56                       |
| Surety                                     | 197,183.28                  | 212,624.47              | 14,151.22                       |
| SBIC                                       | 711,921.55                  | 767,671.30              | 51,092.36                       |
| IDA Fee                                    | 512,075.00                  | 552,175.00              | 36,750.00                       |
| Deposit to Capitalized Interest (CIF) Fund | 8,553,793.95                | 9,223,631.64            | 619,987.08                      |
| Deposit to Project Construction Fund       | 98,632,803.00               | 105,716,942.00          | -                               |
| Rounding Amount                            | 2,728.47                    | 4,224.69                | 7,025,611.33                    |
| <b>Total Uses</b>                          | <b>\$109,989,316.10</b>     | <b>\$118,025,802.25</b> | <b>\$7,853,568.90</b>           |

Phase III (15/20 yr) IDA | Issue Summary | 11/14/2007 | 6:21 PM

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

**Total Issue Sources And Uses**

Part 2 of 2

Dated 02/01/2013 | Delivered 02/01/2013

|  | Non-Aidable -<br>Addition | Issue Summary           |
|--|---------------------------|-------------------------|
| <b>Sources Of Funds</b>                    |                           |                         |
| Par Amount of Bonds                        | \$25,905,000.00           | \$246,105,000.00        |
| Reoffering Premium                         | 1,530,625.35              | 17,199,312.60           |
| <b>Total Sources</b>                       | <b>\$27,435,625.35</b>    | <b>\$263,304,312.60</b> |
| <b>Uses Of Funds</b>                       |                           |                         |
| Total Management Fees                      | 12,952.50                 | 123,052.50              |
| Total Average Takedown                     | 71,238.75                 | 676,788.75              |
| Underwriter's Counsel                      | 19,428.75                 | 184,578.75              |
| SIFMA                                      | 777.15                    | 7,383.15                |
| Dalcomp                                    | 1,554.30                  | 14,766.30               |
| DTC  | 51.81                     | 492.21                  |
| CUSIP                                      | 77.72                     | 738.32                  |
| Day Loan                                   | 725.34                    | 6,890.94                |
| Costs of Issuance                          | 105,259.95                | 1,000,000.00            |
| Gross Bond Insurance Premium               | 178,962.22                | 1,409,658.47            |
| Surety                                     | 49,875.83                 | 473,834.80              |
| SBIC                                       | 180,074.48                | 1,710,759.69            |
| IDA Fee                                    | 129,525.00                | 1,230,525.00            |
| Deposit to Capitalized Interest (CIF) Fund | 2,185,138.14              | 20,582,550.81           |
| Deposit to Project Construction Fund       | -                         | 204,349,745.00          |
| Rounding Amount                            | 24,499,983.41             | 31,532,547.90           |
| <b>Total Uses</b>                          | <b>\$27,435,625.35</b>    | <b>\$263,304,312.60</b> |

Phase III (15/20 yr) IDA | Issue Summary | 11/14/2007 | 6:21 PM

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price    | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|----------|-------------------------|
| 05/01/2015   | Serial Coupon | 5.000% | 3.430% | 8,085,000.00            | 103.366% | 8,357,141.10            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.490% | 8,490,000.00            | 104.596% | 8,880,200.40            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.530% | 8,915,000.00            | 105.749% | 9,427,523.35            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.570% | 9,360,000.00            | 106.785% | 9,995,076.00            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.630% | 9,830,000.00            | 107.593% | 10,576,391.90           |
| 05/01/2020   | Serial Coupon | 5.000% | 3.700% | 10,320,000.00           | 108.195% | 11,165,724.00           |
| 05/01/2021   | Serial Coupon | 5.000% | 3.770% | 10,835,000.00           | 108.645% | 11,771,685.75           |
| 05/01/2022   | Serial Coupon | 5.000% | 3.840% | 11,380,000.00           | 108.953% | 12,398,851.40           |
| 05/01/2023   | Serial Coupon | 5.000% | 3.910% | 13,345,000.00           | 109.126% | 14,562,864.70           |
| 05/01/2024   | Serial Coupon | 5.000% | 3.970% | 12,545,000.00           | 108.598% | 13,623,619.10           |
| 05/01/2025   | Serial Coupon | 5.000% | 4.000% | 13,170,000.00           | 108.335% | 14,267,719.50           |
| 05/01/2026   | Serial Coupon | 5.000% | 4.050% | 13,825,000.00           | 107.898% | 14,916,898.50           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.120% | 14,525,000.00           | 107.290% | 15,583,872.50           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.160% | 20,070,000.00           | 106.945% | 21,463,861.50           |
| 05/01/2029   | Serial Coupon | 5.000% | 4.190% | 18,675,000.00           | 106.687% | 19,923,797.25           |
| 05/01/2030   | Serial Coupon | 5.000% | 4.220% | 6,945,000.00            | 106.429% | 7,391,494.05            |
| 05/01/2031   | Serial Coupon | 5.000% | 4.250% | 14,310,000.00           | 106.173% | 15,193,356.30           |
| 05/01/2032   | Serial Coupon | 5.000% | 4.280% | 7,855,000.00            | 105.917% | 8,319,780.35            |
| 05/01/2033   | Serial Coupon | 5.000% | 4.310% | 16,280,000.00           | 105.661% | 17,201,610.80           |
| 05/01/2034   | Serial Coupon | 5.000% | 4.340% | 17,345,000.00           | 105.407% | 18,282,844.15           |
| <b>Total</b> | -             | -      | -      | <b>\$246,105,000.00</b> | -        | <b>\$263,304,312.60</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$246,105,000.00 |
| Reoffering Premium or (Discount)      | 17,199,312.60    |
| Gross Production                      | \$263,304,312.60 |
| Total Underwriter's Discount (0.412%) | \$(1,014,690.93) |
| Bid (106.576%)                        | 262,289,621.67   |
| Total Purchase Price                  | \$262,289,621.67 |
| Bond Year Dollars                     | \$3,133,091.25   |
| Average Life                          | 12.731 Years     |
| Average Coupon                        | 5.0000000%       |
| Net Interest Cost (NIC)               | 4.4834296%       |
| True Interest Cost (TIC)              | 4.2943476%       |

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

### Debt Service Schedule

| Date         | Principal               | Coupon   | Interest                | Total P+I               |
|--------------|-------------------------|----------|-------------------------|-------------------------|
| 05/01/2013   | -                       | -        | -                       | -                       |
| 05/01/2014   | -                       | -        | 15,381,562.50           | 15,381,562.50           |
| 05/01/2015   | 8,085,000.00            | 5.000%   | 12,305,250.00           | 20,390,250.00           |
| 05/01/2016   | 8,490,000.00            | 5.000%   | 11,901,000.00           | 20,391,000.00           |
| 05/01/2017   | 8,915,000.00            | 5.000%   | 11,476,500.00           | 20,391,500.00           |
| 05/01/2018   | 9,360,000.00            | 5.000%   | 11,030,750.00           | 20,390,750.00           |
| 05/01/2019   | 9,830,000.00            | 5.000%   | 10,562,750.00           | 20,392,750.00           |
| 05/01/2020   | 10,320,000.00           | 5.000%   | 10,071,250.00           | 20,391,250.00           |
| 05/01/2021   | 10,835,000.00           | 5.000%   | 9,555,250.00            | 20,390,250.00           |
| 05/01/2022   | 11,380,000.00           | 5.000%   | 9,013,500.00            | 20,393,500.00           |
| 05/01/2023   | 13,345,000.00           | 5.000%   | 8,444,500.00            | 21,789,500.00           |
| 05/01/2024   | 12,545,000.00           | 5.000%   | 7,777,250.00            | 20,322,250.00           |
| 05/01/2025   | 13,170,000.00           | 5.000%   | 7,150,000.00            | 20,320,000.00           |
| 05/01/2026   | 13,825,000.00           | 5.000%   | 6,491,500.00            | 20,316,500.00           |
| 05/01/2027   | 14,525,000.00           | 5.000%   | 5,800,250.00            | 20,325,250.00           |
| 05/01/2028   | 20,070,000.00           | 5.000%   | 5,074,000.00            | 25,144,000.00           |
| 05/01/2029   | 18,675,000.00           | 5.000%   | 4,070,500.00            | 22,745,500.00           |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 3,136,750.00            | 10,081,750.00           |
| 05/01/2031   | 14,310,000.00           | 5.000%   | 2,789,500.00            | 17,099,500.00           |
| 05/01/2032   | 7,855,000.00            | 5.000%   | 2,074,000.00            | 9,929,000.00            |
| 05/01/2033   | 16,280,000.00           | 5.000%   | 1,681,250.00            | 17,961,250.00           |
| 05/01/2034   | 17,345,000.00           | 5.000%   | 867,250.00              | 18,212,250.00           |
| <b>Total</b> | <b>\$246,105,000.00</b> | <b>-</b> | <b>\$156,654,562.50</b> | <b>\$402,759,562.50</b> |

#### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$3,133,091.25 |
| Average Life                      | 12.731 Years   |
| Average Coupon                    | 5.0000000%     |
| Net Interest Cost (NIC)           | 4.4834296%     |
| True Interest Cost (TIC)          | 4.2943476%     |
| Bond Yield for Arbitrage Purposes | 4.1461121%     |
| All Inclusive Cost (AIC)          | 4.5400680%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 4.1641295%     |
| Weighted Average Maturity         | 12.719 Years   |

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

**Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon   | Interest                | Total P+I               | Fiscal Total  |
|--------------|-------------------------|----------|-------------------------|-------------------------|---------------|
| 02/01/2013   | -                       | -        | -                       | -                       | -             |
| 11/01/2013   | -                       | -        | 9,228,937.50            | 9,228,937.50            | -             |
| 05/01/2014   | -                       | -        | 6,152,625.00            | 6,152,625.00            | 15,381,562.50 |
| 11/01/2014   | -                       | -        | 6,152,625.00            | 6,152,625.00            | -             |
| 05/01/2015   | 8,085,000.00            | 5.000%   | 6,152,625.00            | 14,237,625.00           | 20,390,250.00 |
| 11/01/2015   | -                       | -        | 5,950,500.00            | 5,950,500.00            | -             |
| 05/01/2016   | 8,490,000.00            | 5.000%   | 5,950,500.00            | 14,440,500.00           | 20,391,000.00 |
| 11/01/2016   | -                       | -        | 5,738,250.00            | 5,738,250.00            | -             |
| 05/01/2017   | 8,915,000.00            | 5.000%   | 5,738,250.00            | 14,653,250.00           | 20,391,500.00 |
| 11/01/2017   | -                       | -        | 5,515,375.00            | 5,515,375.00            | -             |
| 05/01/2018   | 9,360,000.00            | 5.000%   | 5,515,375.00            | 14,875,375.00           | 20,390,750.00 |
| 11/01/2018   | -                       | -        | 5,281,375.00            | 5,281,375.00            | -             |
| 05/01/2019   | 9,830,000.00            | 5.000%   | 5,281,375.00            | 15,111,375.00           | 20,392,750.00 |
| 11/01/2019   | -                       | -        | 5,035,625.00            | 5,035,625.00            | -             |
| 05/01/2020   | 10,320,000.00           | 5.000%   | 5,035,625.00            | 15,355,625.00           | 20,391,250.00 |
| 11/01/2020   | -                       | -        | 4,777,625.00            | 4,777,625.00            | -             |
| 05/01/2021   | 10,835,000.00           | 5.000%   | 4,777,625.00            | 15,612,625.00           | 20,390,250.00 |
| 11/01/2021   | -                       | -        | 4,506,750.00            | 4,506,750.00            | -             |
| 05/01/2022   | 11,380,000.00           | 5.000%   | 4,506,750.00            | 15,886,750.00           | 20,393,500.00 |
| 11/01/2022   | -                       | -        | 4,222,250.00            | 4,222,250.00            | -             |
| 05/01/2023   | 13,345,000.00           | 5.000%   | 4,222,250.00            | 17,567,250.00           | 21,789,500.00 |
| 11/01/2023   | -                       | -        | 3,888,625.00            | 3,888,625.00            | -             |
| 05/01/2024   | 12,545,000.00           | 5.000%   | 3,888,625.00            | 16,433,625.00           | 20,322,250.00 |
| 11/01/2024   | -                       | -        | 3,575,000.00            | 3,575,000.00            | -             |
| 05/01/2025   | 13,170,000.00           | 5.000%   | 3,575,000.00            | 16,745,000.00           | 20,320,000.00 |
| 11/01/2025   | -                       | -        | 3,245,750.00            | 3,245,750.00            | -             |
| 05/01/2026   | 13,825,000.00           | 5.000%   | 3,245,750.00            | 17,070,750.00           | 20,316,500.00 |
| 11/01/2026   | -                       | -        | 2,900,125.00            | 2,900,125.00            | -             |
| 05/01/2027   | 14,525,000.00           | 5.000%   | 2,900,125.00            | 17,425,125.00           | 20,325,250.00 |
| 11/01/2027   | -                       | -        | 2,537,000.00            | 2,537,000.00            | -             |
| 05/01/2028   | 20,070,000.00           | 5.000%   | 2,537,000.00            | 22,607,000.00           | 25,144,000.00 |
| 11/01/2028   | -                       | -        | 2,035,250.00            | 2,035,250.00            | -             |
| 05/01/2029   | 18,675,000.00           | 5.000%   | 2,035,250.00            | 20,710,250.00           | 22,745,500.00 |
| 11/01/2029   | -                       | -        | 1,568,375.00            | 1,568,375.00            | -             |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 1,568,375.00            | 8,513,375.00            | 10,081,750.00 |
| 11/01/2030   | -                       | -        | 1,394,750.00            | 1,394,750.00            | -             |
| 05/01/2031   | 14,310,000.00           | 5.000%   | 1,394,750.00            | 15,704,750.00           | 17,099,500.00 |
| 11/01/2031   | -                       | -        | 1,037,000.00            | 1,037,000.00            | -             |
| 05/01/2032   | 7,855,000.00            | 5.000%   | 1,037,000.00            | 8,892,000.00            | 9,929,000.00  |
| 11/01/2032   | -                       | -        | 840,625.00              | 840,625.00              | -             |
| 05/01/2033   | 16,280,000.00           | 5.000%   | 840,625.00              | 17,120,625.00           | 17,961,250.00 |
| 11/01/2033   | -                       | -        | 433,625.00              | 433,625.00              | -             |
| 05/01/2034   | 17,345,000.00           | 5.000%   | 433,625.00              | 17,778,625.00           | 18,212,250.00 |
| <b>Total</b> | <b>\$246,105,000.00</b> | <b>-</b> | <b>\$156,654,562.50</b> | <b>\$402,759,562.50</b> | <b>-</b>      |

Phase III (15/20 yr) IDA | Issue Summary | 11/14/2007 | 5:36 PM

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$3,133,091.25 |
| Average Life                      | 12.731 Years   |
| Average Coupon                    | 5.0000000%     |
| Net Interest Cost (NIC)           | 4.4834296%     |
| True Interest Cost (TIC)          | 4.2943476%     |
| Bond Yield for Arbitrage Purposes | 4.1461121%     |
| All Inclusive Cost (AIC)          | 4.5400680%     |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.1641295%   |
| Weighted Average Maturity | 12.719 Years |

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

**Net Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon   | Interest                | Total P+I               |
|--------------|-------------------------|----------|-------------------------|-------------------------|
| 02/01/2013   | -                       | -        | -                       | -                       |
| 11/01/2013   | -                       | -        | 9,228,937.50            | 9,228,937.50            |
| 05/01/2014   | -                       | -        | 6,152,625.00            | 6,152,625.00            |
| 11/01/2014   | -                       | -        | 6,152,625.00            | 6,152,625.00            |
| 05/01/2015   | 8,085,000.00            | 5.000%   | 6,152,625.00            | 14,237,625.00           |
| 11/01/2015   | -                       | -        | 5,950,500.00            | 5,950,500.00            |
| 05/01/2016   | 8,490,000.00            | 5.000%   | 5,950,500.00            | 14,440,500.00           |
| 11/01/2016   | -                       | -        | 5,738,250.00            | 5,738,250.00            |
| 05/01/2017   | 8,915,000.00            | 5.000%   | 5,738,250.00            | 14,653,250.00           |
| 11/01/2017   | -                       | -        | 5,515,375.00            | 5,515,375.00            |
| 05/01/2018   | 9,360,000.00            | 5.000%   | 5,515,375.00            | 14,875,375.00           |
| 11/01/2018   | -                       | -        | 5,281,375.00            | 5,281,375.00            |
| 05/01/2019   | 9,830,000.00            | 5.000%   | 5,281,375.00            | 15,111,375.00           |
| 11/01/2019   | -                       | -        | 5,035,625.00            | 5,035,625.00            |
| 05/01/2020   | 10,320,000.00           | 5.000%   | 5,035,625.00            | 15,355,625.00           |
| 11/01/2020   | -                       | -        | 4,777,625.00            | 4,777,625.00            |
| 05/01/2021   | 10,835,000.00           | 5.000%   | 4,777,625.00            | 15,612,625.00           |
| 11/01/2021   | -                       | -        | 4,506,750.00            | 4,506,750.00            |
| 05/01/2022   | 11,380,000.00           | 5.000%   | 4,506,750.00            | 15,886,750.00           |
| 11/01/2022   | -                       | -        | 4,222,250.00            | 4,222,250.00            |
| 05/01/2023   | 13,345,000.00           | 5.000%   | 4,222,250.00            | 17,567,250.00           |
| 11/01/2023   | -                       | -        | 3,888,625.00            | 3,888,625.00            |
| 05/01/2024   | 12,545,000.00           | 5.000%   | 3,888,625.00            | 16,433,625.00           |
| 11/01/2024   | -                       | -        | 3,575,000.00            | 3,575,000.00            |
| 05/01/2025   | 13,170,000.00           | 5.000%   | 3,575,000.00            | 16,745,000.00           |
| 11/01/2025   | -                       | -        | 3,245,750.00            | 3,245,750.00            |
| 05/01/2026   | 13,825,000.00           | 5.000%   | 3,245,750.00            | 17,070,750.00           |
| 11/01/2026   | -                       | -        | 2,900,125.00            | 2,900,125.00            |
| 05/01/2027   | 14,525,000.00           | 5.000%   | 2,900,125.00            | 17,425,125.00           |
| 11/01/2027   | -                       | -        | 2,537,000.00            | 2,537,000.00            |
| 05/01/2028   | 20,070,000.00           | 5.000%   | 2,537,000.00            | 22,607,000.00           |
| 11/01/2028   | -                       | -        | 2,035,250.00            | 2,035,250.00            |
| 05/01/2029   | 18,675,000.00           | 5.000%   | 2,035,250.00            | 20,710,250.00           |
| 11/01/2029   | -                       | -        | 1,568,375.00            | 1,568,375.00            |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 1,568,375.00            | 8,513,375.00            |
| 11/01/2030   | -                       | -        | 1,394,750.00            | 1,394,750.00            |
| 05/01/2031   | 14,310,000.00           | 5.000%   | 1,394,750.00            | 15,704,750.00           |
| 11/01/2031   | -                       | -        | 1,037,000.00            | 1,037,000.00            |
| 05/01/2032   | 7,855,000.00            | 5.000%   | 1,037,000.00            | 8,892,000.00            |
| 11/01/2032   | -                       | -        | 840,625.00              | 840,625.00              |
| 05/01/2033   | 16,280,000.00           | 5.000%   | 840,625.00              | 17,120,625.00           |
| 11/01/2033   | -                       | -        | 433,625.00              | 433,625.00              |
| 05/01/2034   | 17,345,000.00           | 5.000%   | 433,625.00              | 17,778,625.00           |
| <b>Total</b> | <b>\$246,105,000.00</b> | <b>-</b> | <b>\$156,654,562.50</b> | <b>\$402,759,562.50</b> |

Phase III (15/20 yr) IDA | Issue Summary | 11/14/2007 | 5:36 PM



**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

**Net Debt Service Schedule**

Part 2 of 2

| Date         | CIF                    | Net New D/S             | Fiscal Total  |
|--------------|------------------------|-------------------------|---------------|
| 02/01/2013   | -                      | -                       | -             |
| 11/01/2013   | (9,228,937.50)         | -                       | -             |
| 05/01/2014   | (6,152,625.00)         | -                       | -             |
| 11/01/2014   | (6,152,625.00)         | -                       | -             |
| 05/01/2015   | -                      | 14,237,625.00           | 14,237,625.00 |
| 11/01/2015   | -                      | 5,950,500.00            | -             |
| 05/01/2016   | -                      | 14,440,500.00           | 20,391,000.00 |
| 11/01/2016   | -                      | 5,738,250.00            | -             |
| 05/01/2017   | -                      | 14,653,250.00           | 20,391,500.00 |
| 11/01/2017   | -                      | 5,515,375.00            | -             |
| 05/01/2018   | -                      | 14,875,375.00           | 20,390,750.00 |
| 11/01/2018   | -                      | 5,281,375.00            | -             |
| 05/01/2019   | -                      | 15,111,375.00           | 20,392,750.00 |
| 11/01/2019   | -                      | 5,035,625.00            | -             |
| 05/01/2020   | -                      | 15,355,625.00           | 20,391,250.00 |
| 11/01/2020   | -                      | 4,777,625.00            | -             |
| 05/01/2021   | -                      | 15,612,625.00           | 20,390,250.00 |
| 11/01/2021   | -                      | 4,506,750.00            | -             |
| 05/01/2022   | -                      | 15,886,750.00           | 20,393,500.00 |
| 11/01/2022   | -                      | 4,222,250.00            | -             |
| 05/01/2023   | -                      | 17,567,250.00           | 21,789,500.00 |
| 11/01/2023   | -                      | 3,888,625.00            | -             |
| 05/01/2024   | -                      | 16,433,625.00           | 20,322,250.00 |
| 11/01/2024   | -                      | 3,575,000.00            | -             |
| 05/01/2025   | -                      | 16,745,000.00           | 20,320,000.00 |
| 11/01/2025   | -                      | 3,245,750.00            | -             |
| 05/01/2026   | -                      | 17,070,750.00           | 20,316,500.00 |
| 11/01/2026   | -                      | 2,900,125.00            | -             |
| 05/01/2027   | -                      | 17,425,125.00           | 20,325,250.00 |
| 11/01/2027   | -                      | 2,537,000.00            | -             |
| 05/01/2028   | -                      | 22,607,000.00           | 25,144,000.00 |
| 11/01/2028   | -                      | 2,035,250.00            | -             |
| 05/01/2029   | -                      | 20,710,250.00           | 22,745,500.00 |
| 11/01/2029   | -                      | 1,568,375.00            | -             |
| 05/01/2030   | -                      | 8,513,375.00            | 10,081,750.00 |
| 11/01/2030   | -                      | 1,394,750.00            | -             |
| 05/01/2031   | -                      | 15,704,750.00           | 17,099,500.00 |
| 11/01/2031   | -                      | 1,037,000.00            | -             |
| 05/01/2032   | -                      | 8,892,000.00            | 9,929,000.00  |
| 11/01/2032   | -                      | 840,625.00              | -             |
| 05/01/2033   | -                      | 17,120,625.00           | 17,961,250.00 |
| 11/01/2033   | -                      | 433,625.00              | -             |
| 05/01/2034   | -                      | 17,778,625.00           | 18,212,250.00 |
| <b>Total</b> | <b>(21,534,187.50)</b> | <b>\$381,225,375.00</b> | <b>-</b>      |

**\$246,105,000**

City of Syracuse  
SIDA Bonds  
Phase III (15/20 yr)

### Operation Of Project Construction Fund

| Date         | Principal               | Rate | Receipts                | Disbursements           | Cash Balance |
|--------------|-------------------------|------|-------------------------|-------------------------|--------------|
| 02/01/2013   | 204,349,745.00          | -    | 204,349,745.00          | 204,349,745.00          | -            |
| <b>Total</b> | <b>\$204,349,745.00</b> | -    | <b>\$204,349,745.00</b> | <b>\$204,349,745.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                  |
|--|------------------|
| Cost of Investments Purchased with Bond Proceeds | 204,349,745.00   |
| Total Cost of Investments                        | \$204,349,745.00 |
| Target Cost of Investments at bond yield         | \$204,349,745.00 |
| Yield to Receipt                                 | -                |
| Yield for Arbitrage Purposes                     | 4.1461121%       |

**\$246,105,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr)

### Operation Of Capitalized Interest Fund

| Date         | Principal              | Rate       | Interest            | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------------|---------------------|------------------------|------------------------|--------------|
| 02/01/2013   | -                      | -          | -                   | 0.07                   | -                      | 0.07         |
| 05/01/2013   | (176,894.16)           | 4.0000000% | 176,894.16          | -                      | -                      | 0.07         |
| 11/01/2013   | 8,813,748.57           | 4.0000000% | 415,188.90          | 9,228,937.47           | 9,228,937.50           | 0.04         |
| 05/01/2014   | 5,913,711.06           | 4.0000000% | 238,913.93          | 6,152,624.99           | 6,152,625.00           | 0.03         |
| 11/01/2014   | 6,031,985.27           | 4.0000000% | 120,639.70          | 6,152,624.97           | 6,152,625.00           | -            |
| <b>Total</b> | <b>\$20,582,550.74</b> | <b>-</b>   | <b>\$951,636.69</b> | <b>\$21,534,187.50</b> | <b>\$21,534,187.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                 |
|--|-----------------|
| Investment Model (PV, GIC, or Securities)        | GIC             |
| Default investment yield target                  | User Defined    |
| Cash Deposit                                     | 0.07            |
| Cost of Investments Purchased with Bond Proceeds | 20,582,550.74   |
| Total Cost of Investments                        | \$20,582,550.81 |
| Target Cost of Investments at bond yield         | \$20,520,457.90 |
| Actual positive or (negative) arbitrage          | (62,092.91)     |
| Yield to Receipt                                 | 3.8830755%      |
| Yield for Arbitrage Purposes                     | 4.1461121%      |
| <b>Composition Of Initial Deposit</b>            |                 |
| Original Bond Proceeds                           | 20,582,550.81   |
| Accrued Interest                                 | -               |
| Cash Contribution and Prior Issue Transfers      | -               |

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price    | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|----------|-------------------------|
| 05/01/2015   | Serial Coupon | 5.000% | 3.430% | 4,745,000.00            | 103.366% | 4,904,716.70            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.490% | 4,985,000.00            | 104.596% | 5,214,110.60            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.530% | 5,235,000.00            | 105.749% | 5,535,960.15            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.570% | 5,495,000.00            | 106.785% | 5,867,835.75            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.630% | 5,770,000.00            | 107.593% | 6,208,116.10            |
| 05/01/2020   | Serial Coupon | 5.000% | 3.700% | 6,055,000.00            | 108.195% | 6,551,207.25            |
| 05/01/2021   | Serial Coupon | 5.000% | 3.770% | 6,360,000.00            | 108.645% | 6,909,822.00            |
| 05/01/2022   | Serial Coupon | 5.000% | 3.840% | 6,680,000.00            | 108.953% | 7,278,060.40            |
| 05/01/2023   | Serial Coupon | 5.000% | 3.910% | 7,010,000.00            | 109.126% | 7,649,732.60            |
| 05/01/2024   | Serial Coupon | 5.000% | 3.970% | 7,365,000.00            | 108.598% | 7,998,242.70            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.000% | 7,730,000.00            | 108.335% | 8,374,295.50            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.050% | 8,115,000.00            | 107.898% | 8,755,922.70            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.120% | 8,525,000.00            | 107.290% | 9,146,472.50            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.160% | 8,950,000.00            | 106.945% | 9,571,577.50            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.190% | 9,395,000.00            | 106.687% | 10,023,243.65           |
| <b>Total</b> | -             | -      | -      | <b>\$102,415,000.00</b> | -        | <b>\$109,989,316.10</b> |

#### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$102,415,000.00 |
| Reoffering Premium or (Discount)      | 7,574,316.10     |
| Gross Production                      | \$109,989,316.10 |
| Total Underwriter's Discount (0.412%) | \$(422,257.05)   |
| Bid (106.983%)                        | 109,567,059.05   |
| Total Purchase Price                  | \$109,567,059.05 |
| Bond Year Dollars                     | \$1,039,758.75   |
| Average Life                          | 10.152 Years     |
| Average Coupon                        | 5.0000000%       |
| Net Interest Cost (NIC)               | 4.3121425%       |
| True Interest Cost (TIC)              | 4.1225727%       |

Phase III (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:38 PM

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               |
|--------------|-------------------------|----------|------------------------|-------------------------|
| 05/01/2013   | -                       | -        | -                      | -                       |
| 05/01/2014   | -                       | -        | 6,400,937.50           | 6,400,937.50            |
| 05/01/2015   | 4,745,000.00            | 5.000%   | 5,120,750.00           | 9,865,750.00            |
| 05/01/2016   | 4,985,000.00            | 5.000%   | 4,883,500.00           | 9,868,500.00            |
| 05/01/2017   | 5,235,000.00            | 5.000%   | 4,634,250.00           | 9,869,250.00            |
| 05/01/2018   | 5,495,000.00            | 5.000%   | 4,372,500.00           | 9,867,500.00            |
| 05/01/2019   | 5,770,000.00            | 5.000%   | 4,097,750.00           | 9,867,750.00            |
| 05/01/2020   | 6,055,000.00            | 5.000%   | 3,809,250.00           | 9,864,250.00            |
| 05/01/2021   | 6,360,000.00            | 5.000%   | 3,506,500.00           | 9,866,500.00            |
| 05/01/2022   | 6,680,000.00            | 5.000%   | 3,188,500.00           | 9,868,500.00            |
| 05/01/2023   | 7,010,000.00            | 5.000%   | 2,854,500.00           | 9,864,500.00            |
| 05/01/2024   | 7,365,000.00            | 5.000%   | 2,504,000.00           | 9,869,000.00            |
| 05/01/2025   | 7,730,000.00            | 5.000%   | 2,135,750.00           | 9,865,750.00            |
| 05/01/2026   | 8,115,000.00            | 5.000%   | 1,749,250.00           | 9,864,250.00            |
| 05/01/2027   | 8,525,000.00            | 5.000%   | 1,343,500.00           | 9,868,500.00            |
| 05/01/2028   | 8,950,000.00            | 5.000%   | 917,250.00             | 9,867,250.00            |
| 05/01/2029   | 9,395,000.00            | 5.000%   | 469,750.00             | 9,864,750.00            |
| <b>Total</b> | <b>\$102,415,000.00</b> | <b>-</b> | <b>\$51,987,937.50</b> | <b>\$154,402,937.50</b> |

### Yield Statistics

|                   |                |
|-------------------|----------------|
| Bond Year Dollars | \$1,039,758.75 |
| Average Life      | 10.152 Years   |
| Average Coupon    | 5.0000000%     |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.3121425% |
| True Interest Cost (TIC)          | 4.1225727% |
| Bond Yield for Arbitrage Purposes | 4.1461121% |
| All Inclusive Cost (AIC)          | 4.4042680% |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 3.9686446%   |
| Weighted Average Maturity | 10.175 Years |

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2013 | -            | -      | -            | -            | -            |
| 11/01/2013 | -            | -      | 3,840,562.50 | 3,840,562.50 | -            |
| 05/01/2014 | -            | -      | 2,560,375.00 | 2,560,375.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 6,400,937.50 |
| 11/01/2014 | -            | -      | 2,560,375.00 | 2,560,375.00 | -            |
| 05/01/2015 | 4,745,000.00 | 5.000% | 2,560,375.00 | 7,305,375.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 9,865,750.00 |
| 11/01/2015 | -            | -      | 2,441,750.00 | 2,441,750.00 | -            |
| 05/01/2016 | 4,985,000.00 | 5.000% | 2,441,750.00 | 7,426,750.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 9,868,500.00 |
| 11/01/2016 | -            | -      | 2,317,125.00 | 2,317,125.00 | -            |
| 05/01/2017 | 5,235,000.00 | 5.000% | 2,317,125.00 | 7,552,125.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 9,869,250.00 |
| 11/01/2017 | -            | -      | 2,186,250.00 | 2,186,250.00 | -            |
| 05/01/2018 | 5,495,000.00 | 5.000% | 2,186,250.00 | 7,681,250.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 9,867,500.00 |
| 11/01/2018 | -            | -      | 2,048,875.00 | 2,048,875.00 | -            |
| 05/01/2019 | 5,770,000.00 | 5.000% | 2,048,875.00 | 7,818,875.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 9,867,750.00 |
| 11/01/2019 | -            | -      | 1,904,625.00 | 1,904,625.00 | -            |
| 05/01/2020 | 6,055,000.00 | 5.000% | 1,904,625.00 | 7,959,625.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 9,864,250.00 |
| 11/01/2020 | -            | -      | 1,753,250.00 | 1,753,250.00 | -            |
| 05/01/2021 | 6,360,000.00 | 5.000% | 1,753,250.00 | 8,113,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 9,866,500.00 |
| 11/01/2021 | -            | -      | 1,594,250.00 | 1,594,250.00 | -            |
| 05/01/2022 | 6,680,000.00 | 5.000% | 1,594,250.00 | 8,274,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 9,868,500.00 |
| 11/01/2022 | -            | -      | 1,427,250.00 | 1,427,250.00 | -            |
| 05/01/2023 | 7,010,000.00 | 5.000% | 1,427,250.00 | 8,437,250.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 9,864,500.00 |
| 11/01/2023 | -            | -      | 1,252,000.00 | 1,252,000.00 | -            |
| 05/01/2024 | 7,365,000.00 | 5.000% | 1,252,000.00 | 8,617,000.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 9,869,000.00 |
| 11/01/2024 | -            | -      | 1,067,875.00 | 1,067,875.00 | -            |
| 05/01/2025 | 7,730,000.00 | 5.000% | 1,067,875.00 | 8,797,875.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 9,865,750.00 |
| 11/01/2025 | -            | -      | 874,625.00   | 874,625.00   | -            |
| 05/01/2026 | 8,115,000.00 | 5.000% | 874,625.00   | 8,989,625.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | 9,864,250.00 |
| 11/01/2026 | -            | -      | 671,750.00   | 671,750.00   | -            |
| 05/01/2027 | 8,525,000.00 | 5.000% | 671,750.00   | 9,196,750.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | 9,868,500.00 |
| 11/01/2027 | -            | -      | 458,625.00   | 458,625.00   | -            |

Phase III (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:36 PM

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|--------------|
| 05/01/2028   | 8,950,000.00            | 5.000%   | 458,625.00             | 9,408,625.00            | -            |
| 06/30/2028   | -                       | -        | -                      | -                       | 9,867,250.00 |
| 11/01/2028   | -                       | -        | 234,875.00             | 234,875.00              | -            |
| 05/01/2029   | 9,395,000.00            | 5.000%   | 234,875.00             | 9,629,875.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | 9,864,750.00 |
| <b>Total</b> | <b>\$102,415,000.00</b> | <b>-</b> | <b>\$51,987,937.50</b> | <b>\$154,402,937.50</b> | <b>-</b>     |

### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,039,758.75 |
| Average Life                      | 10.152 Years   |
| Average Coupon                    | 5.000000%      |
| Net Interest Cost (NIC)           | 4.3121425%     |
| True Interest Cost (TIC)          | 4.1225727%     |
| Bond Yield for Arbitrage Purposes | 4.1461121%     |
| All Inclusive Cost (AIC)          | 4.4042680%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 3.9686446%     |
| Weighted Average Maturity         | 10.175 Years   |

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2013 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2013 | -            | -      | 3,840,562.50 | 3,840,562.50 | (3,840,562.50) | -            | -            |
| 05/01/2014 | -            | -      | 2,560,375.00 | 2,560,375.00 | (2,560,375.00) | -            | -            |
| 11/01/2014 | -            | -      | 2,560,375.00 | 2,560,375.00 | (2,560,375.00) | -            | -            |
| 05/01/2015 | 4,745,000.00 | 5.000% | 2,560,375.00 | 7,305,375.00 | -              | 7,305,375.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 7,305,375.00 |
| 11/01/2015 | -            | -      | 2,441,750.00 | 2,441,750.00 | -              | 2,441,750.00 | -            |
| 05/01/2016 | 4,985,000.00 | 5.000% | 2,441,750.00 | 7,426,750.00 | -              | 7,426,750.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 9,868,500.00 |
| 11/01/2016 | -            | -      | 2,317,125.00 | 2,317,125.00 | -              | 2,317,125.00 | -            |
| 05/01/2017 | 5,235,000.00 | 5.000% | 2,317,125.00 | 7,552,125.00 | -              | 7,552,125.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 9,869,250.00 |
| 11/01/2017 | -            | -      | 2,186,250.00 | 2,186,250.00 | -              | 2,186,250.00 | -            |
| 05/01/2018 | 5,495,000.00 | 5.000% | 2,186,250.00 | 7,681,250.00 | -              | 7,681,250.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 9,867,500.00 |
| 11/01/2018 | -            | -      | 2,048,875.00 | 2,048,875.00 | -              | 2,048,875.00 | -            |
| 05/01/2019 | 5,770,000.00 | 5.000% | 2,048,875.00 | 7,818,875.00 | -              | 7,818,875.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 9,867,750.00 |
| 11/01/2019 | -            | -      | 1,904,625.00 | 1,904,625.00 | -              | 1,904,625.00 | -            |
| 05/01/2020 | 6,055,000.00 | 5.000% | 1,904,625.00 | 7,959,625.00 | -              | 7,959,625.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 9,864,250.00 |
| 11/01/2020 | -            | -      | 1,753,250.00 | 1,753,250.00 | -              | 1,753,250.00 | -            |
| 05/01/2021 | 6,360,000.00 | 5.000% | 1,753,250.00 | 8,113,250.00 | -              | 8,113,250.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 9,866,500.00 |
| 11/01/2021 | -            | -      | 1,594,250.00 | 1,594,250.00 | -              | 1,594,250.00 | -            |
| 05/01/2022 | 6,680,000.00 | 5.000% | 1,594,250.00 | 8,274,250.00 | -              | 8,274,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 9,868,500.00 |
| 11/01/2022 | -            | -      | 1,427,250.00 | 1,427,250.00 | -              | 1,427,250.00 | -            |
| 05/01/2023 | 7,010,000.00 | 5.000% | 1,427,250.00 | 8,437,250.00 | -              | 8,437,250.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 9,864,500.00 |
| 11/01/2023 | -            | -      | 1,252,000.00 | 1,252,000.00 | -              | 1,252,000.00 | -            |
| 05/01/2024 | 7,365,000.00 | 5.000% | 1,252,000.00 | 8,617,000.00 | -              | 8,617,000.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 9,869,000.00 |
| 11/01/2024 | -            | -      | 1,067,875.00 | 1,067,875.00 | -              | 1,067,875.00 | -            |
| 05/01/2025 | 7,730,000.00 | 5.000% | 1,067,875.00 | 8,797,875.00 | -              | 8,797,875.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 9,865,750.00 |
| 11/01/2025 | -            | -      | 874,625.00   | 874,625.00   | -              | 874,625.00   | -            |
| 05/01/2026 | 8,115,000.00 | 5.000% | 874,625.00   | 8,989,625.00 | -              | 8,989,625.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | -              | -            | 9,864,250.00 |
| 11/01/2026 | -            | -      | 671,750.00   | 671,750.00   | -              | 671,750.00   | -            |
| 05/01/2027 | 8,525,000.00 | 5.000% | 671,750.00   | 9,196,750.00 | -              | 9,196,750.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | -              | -            | 9,868,500.00 |
| 11/01/2027 | -            | -      | 458,625.00   | 458,625.00   | -              | 458,625.00   | -            |
| 05/01/2028 | 8,950,000.00 | 5.000% | 458,625.00   | 9,408,625.00 | -              | 9,408,625.00 | -            |

Phase III (15/20 yr) IDA | Aidable - Reconstruction | 11/14/2007 | 5:36 PM



**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|--------------|
| 06/30/2028   | -                       | -        | -                      | -                       | -                     | -                       | 9,867,250.00 |
| 11/01/2028   | -                       | -        | 234,875.00             | 234,875.00              | -                     | 234,875.00              | -            |
| 05/01/2029   | 9,395,000.00            | 5.000%   | 234,875.00             | 9,629,875.00            | -                     | 9,629,875.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | -                     | -                       | 9,864,750.00 |
| <b>Total</b> | <b>\$102,415,000.00</b> | <b>-</b> | <b>\$51,987,937.50</b> | <b>\$154,402,937.50</b> | <b>(8,961,312.50)</b> | <b>\$145,441,625.00</b> | <b>-</b>     |

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

### Operation Of Project Construction Fund

| Date         | Principal              | Rate | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------|------------------------|------------------------|--------------|
| 02/01/2013   | 98,632,803.00          | -    | 98,632,803.00          | 98,632,803.00          | -            |
| <b>Total</b> | <b>\$98,632,803.00</b> | -    | <b>\$98,632,803.00</b> | <b>\$98,632,803.00</b> | -            |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model [PV, GIC, or Securites] | GIC          |
| Default investment yield target          | User Defined |

|  |                 |
|--|-----------------|
| Cost of Investments Purchased with Bond Proceeds | 98,632,803.00   |
| Total Cost of Investments                        | \$98,632,803.00 |
| Target Cost of Investments at bond yield         | \$98,632,803.00 |
| Yield to Receipt                                 | -               |
| Yield for Arbitrage Purposes                     | 4.1461121%      |

**\$102,415,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2013   | -                     | -          | -                   | 0.03                  | -                     | 0.03         |
| 05/01/2013   | (85,114.47)           | 4.0000000% | 85,114.47           | -                     | -                     | 0.03         |
| 11/01/2013   | 3,667,784.32          | 4.0000000% | 172,778.17          | 3,840,562.49          | 3,840,562.50          | 0.02         |
| 05/01/2014   | 2,460,952.51          | 4.0000000% | 99,422.48           | 2,560,374.99          | 2,560,375.00          | 0.01         |
| 11/01/2014   | 2,510,171.56          | 4.0000000% | 50,203.43           | 2,560,374.99          | 2,560,375.00          | -            |
| <b>Total</b> | <b>\$8,553,793.92</b> | <b>-</b>   | <b>\$407,518.55</b> | <b>\$8,961,312.50</b> | <b>\$8,961,312.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model (PV, GIC, or Securities)        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.03           |
| Cost of Investments Purchased with Bond Proceeds | 8,553,793.92   |
| Total Cost of Investments                        | \$8,553,793.95 |
| Target Cost of Investments at bond yield         | \$8,539,455.50 |
| Actual positive or (negative) arbitrage          | (14,338.45)    |
| Yield to Receipt                                 | 4.0000000%     |
| Yield for Arbitrage Purposes                     | 4.1461121%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 8,553,793.95   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price      | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|------------|-------------------------|
| 05/01/2015   | Serial Coupon | 5.000% | 3.430% | 3,340,000.00            | 103.366%   | 3,452,424.40            |
| 05/01/2016   | Serial Coupon | 5.000% | 3.490% | 3,505,000.00            | 104.596%   | 3,666,089.80            |
| 05/01/2017   | Serial Coupon | 5.000% | 3.530% | 3,680,000.00            | 105.749%   | 3,891,563.20            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.570% | 3,865,000.00            | 106.785%   | 4,127,240.25            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.630% | 4,060,000.00            | 107.593%   | 4,368,275.80            |
| 05/01/2020   | Serial Coupon | 5.000% | 3.700% | 4,265,000.00            | 108.195%   | 4,614,516.75            |
| 05/01/2021   | Serial Coupon | 5.000% | 3.770% | 4,475,000.00            | 108.645%   | 4,861,863.75            |
| 05/01/2022   | Serial Coupon | 5.000% | 3.840% | 4,700,000.00            | 108.953%   | 5,120,791.00            |
| 05/01/2023   | Serial Coupon | 5.000% | 3.910% | 4,935,000.00            | 109.126%   | 5,385,368.10            |
| 05/01/2024   | Serial Coupon | 5.000% | 3.970% | 5,180,000.00            | 108.598% c | 5,625,376.40            |
| 05/01/2025   | Serial Coupon | 5.000% | 4.000% | 5,440,000.00            | 108.335% c | 5,893,424.00            |
| 05/01/2026   | Serial Coupon | 5.000% | 4.050% | 5,710,000.00            | 107.898% c | 6,160,975.80            |
| 05/01/2027   | Serial Coupon | 5.000% | 4.120% | 6,000,000.00            | 107.290% c | 6,437,400.00            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.160% | 6,300,000.00            | 106.945% c | 6,737,535.00            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.190% | 6,610,000.00            | 106.687% c | 7,052,010.70            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.220% | 6,945,000.00            | 106.429% c | 7,391,494.05            |
| 05/01/2031   | Serial Coupon | 5.000% | 4.250% | 7,290,000.00            | 106.173% c | 7,740,011.70            |
| 05/01/2032   | Serial Coupon | 5.000% | 4.280% | 7,655,000.00            | 105.917% c | 8,107,946.35            |
| 05/01/2033   | Serial Coupon | 5.000% | 4.310% | 8,040,000.00            | 105.661% c | 8,495,144.40            |
| 05/01/2034   | Serial Coupon | 5.000% | 4.340% | 8,440,000.00            | 105.407% c | 8,896,350.80            |
| <b>Total</b> | -             | -      | -      | <b>\$110,435,000.00</b> | -          | <b>\$118,025,802.25</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$110,435,000.00 |
| Reoffering Premium or (Discount)      | 7,590,802.25     |
| Gross Production                      | \$118,025,802.25 |
| Total Underwriter's Discount (0.412%) | \$(455,323.51)   |
| Bid (106.461%)                        | 117,570,478.74   |
| Total Purchase Price                  | \$117,570,478.74 |
| Bond Year Dollars                     | \$1,474,033.75   |
| Average Life                          | 13.348 Years     |
| Average Coupon                        | 5.000000%        |
| Net Interest Cost (NIC)               | 4.5159216%       |
| True Interest Cost (TIC)              | 4.3293972%       |

Phase III (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 6:36 PM

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

### Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               |
|--------------|-------------------------|----------|------------------------|-------------------------|
| 05/01/2013   | -                       | -        | -                      | -                       |
| 05/01/2014   | -                       | -        | 6,902,187.50           | 6,902,187.50            |
| 05/01/2015   | 3,340,000.00            | 5.000%   | 5,521,750.00           | 8,861,750.00            |
| 05/01/2016   | 3,505,000.00            | 5.000%   | 5,354,750.00           | 8,859,750.00            |
| 05/01/2017   | 3,680,000.00            | 5.000%   | 5,179,500.00           | 8,859,500.00            |
| 05/01/2018   | 3,865,000.00            | 5.000%   | 4,995,500.00           | 8,860,500.00            |
| 05/01/2019   | 4,060,000.00            | 5.000%   | 4,802,250.00           | 8,862,250.00            |
| 05/01/2020   | 4,265,000.00            | 5.000%   | 4,599,250.00           | 8,864,250.00            |
| 05/01/2021   | 4,475,000.00            | 5.000%   | 4,386,000.00           | 8,861,000.00            |
| 05/01/2022   | 4,700,000.00            | 5.000%   | 4,162,250.00           | 8,862,250.00            |
| 05/01/2023   | 4,935,000.00            | 5.000%   | 3,927,250.00           | 8,862,250.00            |
| 05/01/2024   | 5,180,000.00            | 5.000%   | 3,680,500.00           | 8,860,500.00            |
| 05/01/2025   | 5,440,000.00            | 5.000%   | 3,421,500.00           | 8,861,500.00            |
| 05/01/2026   | 5,710,000.00            | 5.000%   | 3,149,500.00           | 8,859,500.00            |
| 05/01/2027   | 6,000,000.00            | 5.000%   | 2,864,000.00           | 8,864,000.00            |
| 05/01/2028   | 6,300,000.00            | 5.000%   | 2,564,000.00           | 8,864,000.00            |
| 05/01/2029   | 6,610,000.00            | 5.000%   | 2,249,000.00           | 8,859,000.00            |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 1,918,500.00           | 8,863,500.00            |
| 05/01/2031   | 7,290,000.00            | 5.000%   | 1,571,250.00           | 8,861,250.00            |
| 05/01/2032   | 7,655,000.00            | 5.000%   | 1,206,750.00           | 8,861,750.00            |
| 05/01/2033   | 8,040,000.00            | 5.000%   | 824,000.00             | 8,864,000.00            |
| 05/01/2034   | 8,440,000.00            | 5.000%   | 422,000.00             | 8,862,000.00            |
| <b>Total</b> | <b>\$110,435,000.00</b> | <b>-</b> | <b>\$73,701,687.50</b> | <b>\$184,136,687.50</b> |

#### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,474,033.75 |
| Average Life                      | 13.348 Years   |
| Average Coupon                    | 5.0000000%     |
| Net Interest Cost (NIC)           | 4.5159216%     |
| True Interest Cost (TIC)          | 4.3293972%     |
| Bond Yield for Arbitrage Purposes | 4.1461121%     |
| All Inclusive Cost (AIC)          | 4.5683435%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 4.2017221%     |
| Weighted Average Maturity         | 13.331 Years   |

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2013 | -            | -      | -            | -            | -            |
| 11/01/2013 | -            | -      | 4,141,312.50 | 4,141,312.50 | -            |
| 05/01/2014 | -            | -      | 2,760,875.00 | 2,760,875.00 | -            |
| 06/30/2014 | -            | -      | -            | -            | 6,902,187.50 |
| 11/01/2014 | -            | -      | 2,760,875.00 | 2,760,875.00 | -            |
| 05/01/2015 | 3,340,000.00 | 5.000% | 2,760,875.00 | 6,100,875.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | 8,861,750.00 |
| 11/01/2015 | -            | -      | 2,677,375.00 | 2,677,375.00 | -            |
| 05/01/2016 | 3,505,000.00 | 5.000% | 2,677,375.00 | 6,182,375.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 8,859,750.00 |
| 11/01/2016 | -            | -      | 2,589,750.00 | 2,589,750.00 | -            |
| 05/01/2017 | 3,680,000.00 | 5.000% | 2,589,750.00 | 6,269,750.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 8,859,500.00 |
| 11/01/2017 | -            | -      | 2,497,750.00 | 2,497,750.00 | -            |
| 05/01/2018 | 3,865,000.00 | 5.000% | 2,497,750.00 | 6,362,750.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 8,860,500.00 |
| 11/01/2018 | -            | -      | 2,401,125.00 | 2,401,125.00 | -            |
| 05/01/2019 | 4,060,000.00 | 5.000% | 2,401,125.00 | 6,461,125.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 8,862,250.00 |
| 11/01/2019 | -            | -      | 2,299,625.00 | 2,299,625.00 | -            |
| 05/01/2020 | 4,265,000.00 | 5.000% | 2,299,625.00 | 6,564,625.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 8,864,250.00 |
| 11/01/2020 | -            | -      | 2,193,000.00 | 2,193,000.00 | -            |
| 05/01/2021 | 4,475,000.00 | 5.000% | 2,193,000.00 | 6,668,000.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 8,861,000.00 |
| 11/01/2021 | -            | -      | 2,081,125.00 | 2,081,125.00 | -            |
| 05/01/2022 | 4,700,000.00 | 5.000% | 2,081,125.00 | 6,781,125.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 8,862,250.00 |
| 11/01/2022 | -            | -      | 1,963,625.00 | 1,963,625.00 | -            |
| 05/01/2023 | 4,935,000.00 | 5.000% | 1,963,625.00 | 6,898,625.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 8,862,250.00 |
| 11/01/2023 | -            | -      | 1,840,250.00 | 1,840,250.00 | -            |
| 05/01/2024 | 5,180,000.00 | 5.000% | 1,840,250.00 | 7,020,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 8,860,500.00 |
| 11/01/2024 | -            | -      | 1,710,750.00 | 1,710,750.00 | -            |
| 05/01/2025 | 5,440,000.00 | 5.000% | 1,710,750.00 | 7,150,750.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 8,861,500.00 |
| 11/01/2025 | -            | -      | 1,574,750.00 | 1,574,750.00 | -            |
| 05/01/2026 | 5,710,000.00 | 5.000% | 1,574,750.00 | 7,284,750.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | 8,859,500.00 |
| 11/01/2026 | -            | -      | 1,432,000.00 | 1,432,000.00 | -            |
| 05/01/2027 | 6,000,000.00 | 5.000% | 1,432,000.00 | 7,432,000.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | 8,864,000.00 |
| 11/01/2027 | -            | -      | 1,282,000.00 | 1,282,000.00 | -            |

Phase III (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:36 PM

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

## Debt Service Schedule

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|--------------|
| 05/01/2028   | 6,300,000.00            | 5.000%   | 1,282,000.00           | 7,582,000.00            | -            |
| 06/30/2028   | -                       | -        | -                      | -                       | 8,864,000.00 |
| 11/01/2028   | -                       | -        | 1,124,500.00           | 1,124,500.00            | -            |
| 05/01/2029   | 6,610,000.00            | 5.000%   | 1,124,500.00           | 7,734,500.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | 8,859,000.00 |
| 11/01/2029   | -                       | -        | 959,250.00             | 959,250.00              | -            |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 959,250.00             | 7,904,250.00            | -            |
| 06/30/2030   | -                       | -        | -                      | -                       | 8,863,500.00 |
| 11/01/2030   | -                       | -        | 785,625.00             | 785,625.00              | -            |
| 05/01/2031   | 7,290,000.00            | 5.000%   | 785,625.00             | 8,075,625.00            | -            |
| 06/30/2031   | -                       | -        | -                      | -                       | 8,861,250.00 |
| 11/01/2031   | -                       | -        | 603,375.00             | 603,375.00              | -            |
| 05/01/2032   | 7,655,000.00            | 5.000%   | 603,375.00             | 8,258,375.00            | -            |
| 06/30/2032   | -                       | -        | -                      | -                       | 8,861,750.00 |
| 11/01/2032   | -                       | -        | 412,000.00             | 412,000.00              | -            |
| 05/01/2033   | 8,040,000.00            | 5.000%   | 412,000.00             | 8,452,000.00            | -            |
| 06/30/2033   | -                       | -        | -                      | -                       | 8,864,000.00 |
| 11/01/2033   | -                       | -        | 211,000.00             | 211,000.00              | -            |
| 05/01/2034   | 8,440,000.00            | 5.000%   | 211,000.00             | 8,651,000.00            | -            |
| 06/30/2034   | -                       | -        | -                      | -                       | 8,862,000.00 |
| <b>Total</b> | <b>\$110,435,000.00</b> | <b>-</b> | <b>\$73,701,687.50</b> | <b>\$184,136,687.50</b> | <b>-</b>     |

### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,474,033.75 |
| Average Life                      | 13.348 Years   |
| Average Coupon                    | 5.0000000%     |
| Net Interest Cost (NIC)           | 4.5159216%     |
| True Interest Cost (TIC)          | 4.3293972%     |
| Bond Yield for Arbitrage Purposes | 4.1461121%     |
| All Inclusive Cost (AIC)          | 4.5683435%     |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2017221%   |
| Weighted Average Maturity | 13.331 Years |

Phase III (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:38 PM

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2013 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2013 | -            | -      | 4,141,312.50 | 4,141,312.50 | (4,141,312.50) | -            | -            |
| 05/01/2014 | -            | -      | 2,760,875.00 | 2,760,875.00 | (2,760,875.00) | -            | -            |
| 11/01/2014 | -            | -      | 2,760,875.00 | 2,760,875.00 | (2,760,875.00) | -            | -            |
| 05/01/2015 | 3,340,000.00 | 5.000% | 2,760,875.00 | 6,100,875.00 | -              | 6,100,875.00 | -            |
| 06/30/2015 | -            | -      | -            | -            | -              | -            | 6,100,875.00 |
| 11/01/2015 | -            | -      | 2,677,375.00 | 2,677,375.00 | -              | 2,677,375.00 | -            |
| 05/01/2016 | 3,505,000.00 | 5.000% | 2,677,375.00 | 6,182,375.00 | -              | 6,182,375.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | -              | -            | 8,859,750.00 |
| 11/01/2016 | -            | -      | 2,589,750.00 | 2,589,750.00 | -              | 2,589,750.00 | -            |
| 05/01/2017 | 3,680,000.00 | 5.000% | 2,589,750.00 | 6,269,750.00 | -              | 6,269,750.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 8,859,500.00 |
| 11/01/2017 | -            | -      | 2,497,750.00 | 2,497,750.00 | -              | 2,497,750.00 | -            |
| 05/01/2018 | 3,865,000.00 | 5.000% | 2,497,750.00 | 6,362,750.00 | -              | 6,362,750.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 8,860,500.00 |
| 11/01/2018 | -            | -      | 2,401,125.00 | 2,401,125.00 | -              | 2,401,125.00 | -            |
| 05/01/2019 | 4,060,000.00 | 5.000% | 2,401,125.00 | 6,461,125.00 | -              | 6,461,125.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 8,862,250.00 |
| 11/01/2019 | -            | -      | 2,299,625.00 | 2,299,625.00 | -              | 2,299,625.00 | -            |
| 05/01/2020 | 4,265,000.00 | 5.000% | 2,299,625.00 | 6,564,625.00 | -              | 6,564,625.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 8,864,250.00 |
| 11/01/2020 | -            | -      | 2,193,000.00 | 2,193,000.00 | -              | 2,193,000.00 | -            |
| 05/01/2021 | 4,475,000.00 | 5.000% | 2,193,000.00 | 6,668,000.00 | -              | 6,668,000.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 8,861,000.00 |
| 11/01/2021 | -            | -      | 2,081,125.00 | 2,081,125.00 | -              | 2,081,125.00 | -            |
| 05/01/2022 | 4,700,000.00 | 5.000% | 2,081,125.00 | 6,781,125.00 | -              | 6,781,125.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 8,862,250.00 |
| 11/01/2022 | -            | -      | 1,963,625.00 | 1,963,625.00 | -              | 1,963,625.00 | -            |
| 05/01/2023 | 4,935,000.00 | 5.000% | 1,963,625.00 | 6,898,625.00 | -              | 6,898,625.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 8,862,250.00 |
| 11/01/2023 | -            | -      | 1,840,250.00 | 1,840,250.00 | -              | 1,840,250.00 | -            |
| 05/01/2024 | 5,180,000.00 | 5.000% | 1,840,250.00 | 7,020,250.00 | -              | 7,020,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 8,860,500.00 |
| 11/01/2024 | -            | -      | 1,710,750.00 | 1,710,750.00 | -              | 1,710,750.00 | -            |
| 05/01/2025 | 5,440,000.00 | 5.000% | 1,710,750.00 | 7,150,750.00 | -              | 7,150,750.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 8,861,500.00 |
| 11/01/2025 | -            | -      | 1,574,750.00 | 1,574,750.00 | -              | 1,574,750.00 | -            |
| 05/01/2026 | 5,710,000.00 | 5.000% | 1,574,750.00 | 7,284,750.00 | -              | 7,284,750.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | -              | -            | 8,859,500.00 |
| 11/01/2026 | -            | -      | 1,432,000.00 | 1,432,000.00 | -              | 1,432,000.00 | -            |
| 05/01/2027 | 6,000,000.00 | 5.000% | 1,432,000.00 | 7,432,000.00 | -              | 7,432,000.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | -              | -            | 8,864,000.00 |
| 11/01/2027 | -            | -      | 1,282,000.00 | 1,282,000.00 | -              | 1,282,000.00 | -            |
| 05/01/2028 | 6,300,000.00 | 5.000% | 1,282,000.00 | 7,582,000.00 | -              | 7,582,000.00 | -            |

Phase III (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 9:36 PM



**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total |
|--------------|-------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|--------------|
| 06/30/2028   | -                       | -        | -                      | -                       | -                     | -                       | 8,864,000.00 |
| 11/01/2028   | -                       | -        | 1,124,500.00           | 1,124,500.00            | -                     | 1,124,500.00            | -            |
| 05/01/2029   | 6,610,000.00            | 5.000%   | 1,124,500.00           | 7,734,500.00            | -                     | 7,734,500.00            | -            |
| 06/30/2029   | -                       | -        | -                      | -                       | -                     | -                       | 8,859,000.00 |
| 11/01/2029   | -                       | -        | 959,250.00             | 959,250.00              | -                     | 959,250.00              | -            |
| 05/01/2030   | 6,945,000.00            | 5.000%   | 959,250.00             | 7,904,250.00            | -                     | 7,904,250.00            | -            |
| 06/30/2030   | -                       | -        | -                      | -                       | -                     | -                       | 8,863,500.00 |
| 11/01/2030   | -                       | -        | 785,625.00             | 785,625.00              | -                     | 785,625.00              | -            |
| 05/01/2031   | 7,290,000.00            | 5.000%   | 785,625.00             | 8,075,625.00            | -                     | 8,075,625.00            | -            |
| 06/30/2031   | -                       | -        | -                      | -                       | -                     | -                       | 8,861,250.00 |
| 11/01/2031   | -                       | -        | 603,375.00             | 603,375.00              | -                     | 603,375.00              | -            |
| 05/01/2032   | 7,655,000.00            | 5.000%   | 603,375.00             | 8,258,375.00            | -                     | 8,258,375.00            | -            |
| 06/30/2032   | -                       | -        | -                      | -                       | -                     | -                       | 8,861,750.00 |
| 11/01/2032   | -                       | -        | 412,000.00             | 412,000.00              | -                     | 412,000.00              | -            |
| 05/01/2033   | 8,040,000.00            | 5.000%   | 412,000.00             | 8,452,000.00            | -                     | 8,452,000.00            | -            |
| 06/30/2033   | -                       | -        | -                      | -                       | -                     | -                       | 8,864,000.00 |
| 11/01/2033   | -                       | -        | 211,000.00             | 211,000.00              | -                     | 211,000.00              | -            |
| 05/01/2034   | 8,440,000.00            | 5.000%   | 211,000.00             | 8,651,000.00            | -                     | 8,651,000.00            | -            |
| 06/30/2034   | -                       | -        | -                      | -                       | -                     | -                       | 8,862,000.00 |
| <b>Total</b> | <b>\$110,435,000.00</b> | <b>-</b> | <b>\$73,701,687.50</b> | <b>\$184,136,687.50</b> | <b>(9,663,062.50)</b> | <b>\$174,473,625.00</b> | <b>-</b>     |

Phase III (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:36 PM

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

### Operation Of Project Construction Fund

| Date         | Principal               | Rate | Receipts                | Disbursements           | Cash Balance |
|--------------|-------------------------|------|-------------------------|-------------------------|--------------|
| 02/01/2013   | 105,716,942.00          | -    | 105,716,942.00          | 105,716,942.00          | -            |
| <b>Total</b> | <b>\$105,716,942.00</b> | -    | <b>\$105,716,942.00</b> | <b>\$105,716,942.00</b> | -            |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model (PV, GIC, or Securities) | GIC          |
| Default investment yield target           | User Defined |

|  |                         |
|--|-------------------------|
| Cost of Investments Purchased with Bond Proceeds | 105,716,942.00          |
| <b>Total Cost of Investments</b>                 | <b>\$105,716,942.00</b> |

|  |                  |
|--|------------------|
| Target Cost of Investments at bond yield | \$105,716,942.00 |
|--|------------------|

|                              |            |
|------------------------------|------------|
| Yield to Receipt             | -          |
| Yield for Arbitrage Purposes | 4.1461121% |

**\$110,435,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2013   | -                     | -          | -                   | 0.01                  | -                     | 0.01         |
| 05/01/2013   | (91,779.69)           | 4.0000000% | 91,779.69           | -                     | -                     | 0.01         |
| 11/01/2013   | 3,955,004.27          | 4.0000000% | 186,308.23          | 4,141,312.50          | 4,141,312.50          | 0.01         |
| 05/01/2014   | 2,653,666.86          | 4.0000000% | 107,208.14          | 2,760,875.00          | 2,760,875.00          | 0.01         |
| 11/01/2014   | 2,706,740.19          | 4.0000000% | 54,134.80           | 2,760,874.99          | 2,760,875.00          | -            |
| <b>Total</b> | <b>\$9,223,631.63</b> | <b>-</b>   | <b>\$439,430.86</b> | <b>\$9,663,062.50</b> | <b>\$9,663,062.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.01           |
| Cost of Investments Purchased with Bond Proceeds | 9,223,631.63   |
| Total Cost of Investments                        | \$9,223,631.64 |
| Target Cost of Investments at bond yield         | \$9,208,170.37 |
| Actual positive or (negative) arbitrage          | (15,461.27)    |
| Yield to Receipt                                 | 4.0000000%     |
| Yield for Arbitrage Purposes                     | 4.1461121%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 9,223,631.64   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    |   | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|---|-----------------------|
| 05/01/2028   | Serial Coupon | 5.000% | 4.160% | 4,680,000.00          | 106.945% | c | 5,005,026.00          |
| 05/01/2029   | Serial Coupon | 5.000% | 4.190% | 2,670,000.00          | 106.687% | c | 2,848,542.90          |
| <b>Total</b> | -             | -      | -      | <b>\$7,350,000.00</b> | -        | - | <b>\$7,853,568.90</b> |

### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$7,350,000.00 |
| Reoffering Premium or (Discount)      | 503,568.90     |
| Gross Production                      | \$7,853,568.90 |
| Total Underwriter's Discount (0.412%) | \$(30,304.05)  |
| Bid (106.439%)                        | 7,823,264.85   |
| Total Purchase Price                  | \$7,823,264.85 |
| Bond Year Dollars                     | \$114,757.50   |
| Average Life                          | 15.613 Years   |
| Average Coupon                        | 5.0000000%     |
| Net Interest Cost (NIC)               | 4.5875957%     |
| True Interest Cost (TIC)              | 4.4226654%     |

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I              |
|--------------|-----------------------|----------|-----------------------|------------------------|
| 05/01/2013   | -                     | -        | -                     | -                      |
| 05/01/2014   | -                     | -        | 459,375.00            | 459,375.00             |
| 05/01/2015   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2016   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2017   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2018   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2019   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2020   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2021   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2022   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2023   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2024   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2025   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2026   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2027   | -                     | -        | 367,500.00            | 367,500.00             |
| 05/01/2028   | 4,680,000.00          | 5.000%   | 367,500.00            | 5,047,500.00           |
| 05/01/2029   | 2,670,000.00          | 5.000%   | 133,500.00            | 2,803,500.00           |
| <b>Total</b> | <b>\$7,350,000.00</b> | <b>-</b> | <b>\$5,737,875.00</b> | <b>\$13,087,875.00</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$114,757.50 |
| Average Life                      | 15.613 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.5875957%   |
| True Interest Cost (TIC)          | 4.4226654%   |
| Bond Yield for Arbitrage Purposes | 4.1461121%   |
| All Inclusive Cost (AIC)          | 4.6332808%   |

#### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2688791%   |
| Weighted Average Maturity | 15.613 Years |

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|
| 02/01/2013 | -         | -      | -          | -          | -            |
| 11/01/2013 | -         | -      | 275,625.00 | 275,625.00 | -            |
| 05/01/2014 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2014 | -         | -      | -          | -          | 459,375.00   |
| 11/01/2014 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2015 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2015 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2015 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2016 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2016 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2016 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2017 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2017 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2017 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2018 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2018 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2018 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2019 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2019 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2019 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2020 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2020 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2020 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2021 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2021 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2021 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2022 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2022 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2022 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2023 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2023 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2023 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2024 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2024 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2024 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2025 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2025 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2025 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2026 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2026 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2026 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 05/01/2027 | -         | -      | 183,750.00 | 183,750.00 | -            |
| 06/30/2027 | -         | -      | -          | -          | 367,500.00   |
| 11/01/2027 | -         | -      | 183,750.00 | 183,750.00 | -            |

Phase III (15/20 yr) IDA | Non-Aidable - Reconstruct | 11/14/2007 | 5:38 PM

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|--------------|
| 05/01/2028   | 4,680,000.00          | 5.000%   | 183,750.00            | 4,863,750.00           | -            |
| 06/30/2028   | -                     | -        | -                     | -                      | 5,047,500.00 |
| 11/01/2028   | -                     | -        | 66,750.00             | 66,750.00              | -            |
| 05/01/2029   | 2,670,000.00          | 5.000%   | 66,750.00             | 2,736,750.00           | -            |
| 06/30/2029   | -                     | -        | -                     | -                      | 2,803,500.00 |
| <b>Total</b> | <b>\$7,350,000.00</b> | <b>-</b> | <b>\$5,737,875.00</b> | <b>\$13,087,875.00</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$114,757.50 |
| Average Life                      | 15.613 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.5875957%   |
| True Interest Cost (TIC)          | 4.4226654%   |
| Bond Yield for Arbitrage Purposes | 4.1461121%   |
| All Inclusive Cost (AIC)          | 4.6332808%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.2688791%   |
| Weighted Average Maturity         | 15.613 Years |

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | CIF          | Net New D/S  | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|--------------|--------------|
| 02/01/2013 | -            | -      | -          | -            | -            | -            | -            |
| 11/01/2013 | -            | -      | 275,625.00 | 275,625.00   | (275,625.00) | -            | -            |
| 05/01/2014 | -            | -      | 183,750.00 | 183,750.00   | (183,750.00) | -            | -            |
| 11/01/2014 | -            | -      | 183,750.00 | 183,750.00   | (183,750.00) | -            | -            |
| 05/01/2015 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2015 | -            | -      | -          | -            | -            | -            | 183,750.00   |
| 11/01/2015 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2016 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2016 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2016 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2017 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2017 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2017 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2018 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2018 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2018 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2019 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2019 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2019 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2020 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2020 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2020 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2021 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2021 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2021 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2022 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2022 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2023 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2023 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2023 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2024 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2024 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2024 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2025 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2025 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2025 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2026 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2026 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2026 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2027 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 06/30/2027 | -            | -      | -          | -            | -            | -            | 367,500.00   |
| 11/01/2027 | -            | -      | 183,750.00 | 183,750.00   | -            | 183,750.00   | -            |
| 05/01/2028 | 4,680,000.00 | 5.000% | 183,750.00 | 4,863,750.00 | -            | 4,863,750.00 | -            |

Phase III (15/20 yr) IDA | Non-Aidable - Reconstruct | 11/14/2007 | 5:36 PM



**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I              | CIF                 | Net New D/S            | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|---------------------|------------------------|--------------|
| 06/30/2028   | -                     | -        | -                     | -                      | -                   | -                      | 5,047,500.00 |
| 11/01/2028   | -                     | -        | 66,750.00             | 66,750.00              | -                   | 66,750.00              | -            |
| 05/01/2029   | 2,670,000.00          | 5.000%   | 66,750.00             | 2,736,750.00           | -                   | 2,736,750.00           | -            |
| 06/30/2029   | -                     | -        | -                     | -                      | -                   | -                      | 2,803,500.00 |
| <b>Total</b> | <b>\$7,350,000.00</b> | <b>-</b> | <b>\$5,737,875.00</b> | <b>\$13,087,875.00</b> | <b>(643,125.00)</b> | <b>\$12,444,750.00</b> | <b>-</b>     |

**\$7,350,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest           | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|--------------------|---------------------|---------------------|--------------|
| 02/01/2013   | -                   | -          | -                  | 0.02                | -                   | 0.02         |
| 11/01/2013   | 263,225.25          | 4.0000000% | 12,399.74          | 275,624.99          | 275,625.00          | 0.01         |
| 05/01/2014   | 176,614.76          | 4.0000000% | 7,135.24           | 183,750.00          | 183,750.00          | 0.01         |
| 11/01/2014   | 180,147.05          | 4.0000000% | 3,602.94           | 183,749.99          | 183,750.00          | -            |
| <b>Total</b> | <b>\$619,987.06</b> | <b>-</b>   | <b>\$23,137.92</b> | <b>\$643,125.00</b> | <b>\$643,125.00</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model [PV, GIC, or Securities]        | GIC          |
| Default investment yield target                  | User Defined |
| Cash Deposit                                     | 0.02         |
| Cost of Investments Purchased with Bond Proceeds | 619,987.06   |
| Total Cost of Investments                        | \$619,987.08 |
| Target Cost of Investments at bond yield         | \$612,849.66 |
| Actual positive or (negative) arbitrage          | (7,137.42)   |
| Yield to Receipt                                 | 3.1404259%   |
| Yield for Arbitrage Purposes                     | 4.1461121%   |

#### Composition Of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 619,987.08 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price      | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|------------|------------------------|
| 05/01/2023   | Serial Coupon | 5.000% | 3.910% | 1,400,000.00           | 109.126%   | 1,527,764.00           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.160% | 140,000.00             | 106.945% c | 149,723.00             |
| 05/01/2031   | Serial Coupon | 5.000% | 4.250% | 7,020,000.00           | 106.173% c | 7,453,344.60           |
| 05/01/2032   | Serial Coupon | 5.000% | 4.280% | 200,000.00             | 105.917% c | 211,834.00             |
| 05/01/2033   | Serial Coupon | 5.000% | 4.310% | 8,240,000.00           | 105.661% c | 8,706,466.40           |
| 05/01/2034   | Serial Coupon | 5.000% | 4.340% | 8,905,000.00           | 105.407% c | 9,386,493.35           |
| <b>Total</b> | -             | -      | -      | <b>\$25,905,000.00</b> | -          | <b>\$27,435,625.35</b> |

#### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$25,905,000.00 |
| Reoffering Premium or (Discount)      | 1,530,625.35    |
| Gross Production                      | \$27,435,625.35 |
| Total Underwriter's Discount (0.412%) | \$(106,806.32)  |
| Bid (105.496%)                        | 27,328,819.03   |
| Total Purchase Price                  | \$27,328,819.03 |
| Bond Year Dollars                     | \$504,541.25    |
| Average Life                          | 19.477 Years    |
| Average Coupon                        | 5.000000%       |
| Net Interest Cost (NIC)               | 4.7177993%      |
| True Interest Cost (TIC)              | 4.5670898%      |

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2013   | -                      | -        | -                      | -                      |
| 05/01/2014   | -                      | -        | 1,619,062.50           | 1,619,062.50           |
| 05/01/2015   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2016   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2017   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2018   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2019   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2020   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2021   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2022   | -                      | -        | 1,295,250.00           | 1,295,250.00           |
| 05/01/2023   | 1,400,000.00           | 5.000%   | 1,295,250.00           | 2,695,250.00           |
| 05/01/2024   | -                      | -        | 1,225,250.00           | 1,225,250.00           |
| 05/01/2025   | -                      | -        | 1,225,250.00           | 1,225,250.00           |
| 05/01/2026   | -                      | -        | 1,225,250.00           | 1,225,250.00           |
| 05/01/2027   | -                      | -        | 1,225,250.00           | 1,225,250.00           |
| 05/01/2028   | 140,000.00             | 5.000%   | 1,225,250.00           | 1,365,250.00           |
| 05/01/2029   | -                      | -        | 1,218,250.00           | 1,218,250.00           |
| 05/01/2030   | -                      | -        | 1,218,250.00           | 1,218,250.00           |
| 05/01/2031   | 7,020,000.00           | 5.000%   | 1,218,250.00           | 8,238,250.00           |
| 05/01/2032   | 200,000.00             | 5.000%   | 867,250.00             | 1,067,250.00           |
| 05/01/2033   | 8,240,000.00           | 5.000%   | 857,250.00             | 9,097,250.00           |
| 05/01/2034   | 8,905,000.00           | 5.000%   | 445,250.00             | 9,350,250.00           |
| <b>Total</b> | <b>\$25,905,000.00</b> | <b>-</b> | <b>\$25,227,062.50</b> | <b>\$51,132,062.50</b> |

#### Yield Statistics

|                   |              |
|-------------------|--------------|
| Bond Year Dollars | \$504,541.25 |
| Average Life      | 19.477 Years |
| Average Coupon    | 5.0000000%   |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.717793%  |
| True Interest Cost (TIC)          | 4.5670898% |
| Bond Yield for Arbitrage Purposes | 4.1461121% |
| All Inclusive Cost (AIC)          | 4.7581479% |

#### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4390885%   |
| Weighted Average Maturity | 19.457 Years |

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|
| 02/01/2013 | -            | -      | -          | -            | -            |
| 11/01/2013 | -            | -      | 971,437.50 | 971,437.50   | -            |
| 05/01/2014 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2014 | -            | -      | -          | -            | 1,619,062.50 |
| 11/01/2014 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2015 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2015 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2015 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2016 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2016 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2016 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2017 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2017 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2017 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2018 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2018 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2018 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2019 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2019 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2019 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2020 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2020 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2020 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2021 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2021 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2021 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2022 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | 1,295,250.00 |
| 11/01/2022 | -            | -      | 647,625.00 | 647,625.00   | -            |
| 05/01/2023 | 1,400,000.00 | 5.000% | 647,625.00 | 2,047,625.00 | -            |
| 06/30/2023 | -            | -      | -          | -            | 2,695,250.00 |
| 11/01/2023 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 05/01/2024 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 06/30/2024 | -            | -      | -          | -            | 1,225,250.00 |
| 11/01/2024 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 05/01/2025 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 06/30/2025 | -            | -      | -          | -            | 1,225,250.00 |
| 11/01/2025 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 05/01/2026 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 06/30/2026 | -            | -      | -          | -            | 1,225,250.00 |
| 11/01/2026 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 05/01/2027 | -            | -      | 612,625.00 | 612,625.00   | -            |
| 06/30/2027 | -            | -      | -          | -            | 1,225,250.00 |
| 11/01/2027 | -            | -      | 612,625.00 | 612,625.00   | -            |

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

## Debt Service Schedule

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+i              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2028   | 140,000.00             | 5.000%   | 612,625.00             | 752,625.00             | -            |
| 06/30/2028   | -                      | -        | -                      | -                      | 1,365,250.00 |
| 11/01/2028   | -                      | -        | 609,125.00             | 609,125.00             | -            |
| 05/01/2029   | -                      | -        | 609,125.00             | 609,125.00             | -            |
| 06/30/2029   | -                      | -        | -                      | -                      | 1,218,250.00 |
| 11/01/2029   | -                      | -        | 609,125.00             | 609,125.00             | -            |
| 05/01/2030   | -                      | -        | 609,125.00             | 609,125.00             | -            |
| 06/30/2030   | -                      | -        | -                      | -                      | 1,218,250.00 |
| 11/01/2030   | -                      | -        | 609,125.00             | 609,125.00             | -            |
| 05/01/2031   | 7,020,000.00           | 5.000%   | 609,125.00             | 7,629,125.00           | -            |
| 06/30/2031   | -                      | -        | -                      | -                      | 8,238,250.00 |
| 11/01/2031   | -                      | -        | 433,625.00             | 433,625.00             | -            |
| 05/01/2032   | 200,000.00             | 5.000%   | 433,625.00             | 633,625.00             | -            |
| 06/30/2032   | -                      | -        | -                      | -                      | 1,067,250.00 |
| 11/01/2032   | -                      | -        | 428,625.00             | 428,625.00             | -            |
| 05/01/2033   | 8,240,000.00           | 5.000%   | 428,625.00             | 8,668,625.00           | -            |
| 06/30/2033   | -                      | -        | -                      | -                      | 9,097,250.00 |
| 11/01/2033   | -                      | -        | 222,625.00             | 222,625.00             | -            |
| 05/01/2034   | 8,905,000.00           | 5.000%   | 222,625.00             | 9,127,625.00           | -            |
| 06/30/2034   | -                      | -        | -                      | -                      | 9,350,250.00 |
| <b>Total</b> | <b>\$25,905,000.00</b> | <b>-</b> | <b>\$25,227,062.50</b> | <b>\$51,132,062.50</b> | <b>-</b>     |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$504,541.25 |
| Average Life                      | 19.477 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.7177993%   |
| True Interest Cost (TIC)          | 4.5670898%   |
| Bond Yield for Arbitrage Purposes | 4.1461121%   |
| All Inclusive Cost (AIC)          | 4.7581479%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.4390885%   |
| Weighted Average Maturity | 19.457 Years |

Phase III (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:38 PM

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | CIF          | Net New D/S  | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|--------------|--------------|
| 02/01/2013 | -            | -      | -          | -            | -            | -            | -            |
| 11/01/2013 | -            | -      | 971,437.50 | 971,437.50   | (971,437.50) | -            | -            |
| 05/01/2014 | -            | -      | 647,625.00 | 647,625.00   | (647,625.00) | -            | -            |
| 11/01/2014 | -            | -      | 647,625.00 | 647,625.00   | (647,625.00) | -            | -            |
| 05/01/2015 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2015 | -            | -      | -          | -            | -            | -            | 647,625.00   |
| 11/01/2015 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2016 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2016 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2016 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2017 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2017 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2017 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2018 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2018 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2018 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2019 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2019 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2019 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2020 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2020 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2020 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2021 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2021 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2021 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2022 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 06/30/2022 | -            | -      | -          | -            | -            | -            | 1,295,250.00 |
| 11/01/2022 | -            | -      | 647,625.00 | 647,625.00   | -            | 647,625.00   | -            |
| 05/01/2023 | 1,400,000.00 | 5.000% | 647,625.00 | 2,047,625.00 | -            | 2,047,625.00 | -            |
| 06/30/2023 | -            | -      | -          | -            | -            | -            | 2,695,250.00 |
| 11/01/2023 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 05/01/2024 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 06/30/2024 | -            | -      | -          | -            | -            | -            | 1,225,250.00 |
| 11/01/2024 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 05/01/2025 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 06/30/2025 | -            | -      | -          | -            | -            | -            | 1,225,250.00 |
| 11/01/2025 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 05/01/2026 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 06/30/2026 | -            | -      | -          | -            | -            | -            | 1,225,250.00 |
| 11/01/2026 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 05/01/2027 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 06/30/2027 | -            | -      | -          | -            | -            | -            | 1,225,250.00 |
| 11/01/2027 | -            | -      | 612,625.00 | 612,625.00   | -            | 612,625.00   | -            |
| 05/01/2028 | 140,000.00   | 5.000% | 612,625.00 | 752,625.00   | -            | 752,625.00   | -            |

Phase III (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:36 PM

DEPFA First Albany Securities LLC

Public Finance

Page 36

**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | CIF                   | Net New D/S            | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|-----------------------|------------------------|--------------|
| 06/30/2028   | -                      | -        | -                      | -                      | -                     | -                      | 1,365,250.00 |
| 11/01/2028   | -                      | -        | 609,125.00             | 609,125.00             | -                     | 609,125.00             | -            |
| 05/01/2029   | -                      | -        | 609,125.00             | 609,125.00             | -                     | 609,125.00             | -            |
| 06/30/2029   | -                      | -        | -                      | -                      | -                     | -                      | 1,218,250.00 |
| 11/01/2029   | -                      | -        | 609,125.00             | 609,125.00             | -                     | 609,125.00             | -            |
| 05/01/2030   | -                      | -        | 609,125.00             | 609,125.00             | -                     | 609,125.00             | -            |
| 06/30/2030   | -                      | -        | -                      | -                      | -                     | -                      | 1,218,250.00 |
| 11/01/2030   | -                      | -        | 609,125.00             | 609,125.00             | -                     | 609,125.00             | -            |
| 05/01/2031   | 7,020,000.00           | 5.000%   | 609,125.00             | 7,629,125.00           | -                     | 7,629,125.00           | -            |
| 06/30/2031   | -                      | -        | -                      | -                      | -                     | -                      | 8,238,250.00 |
| 11/01/2031   | -                      | -        | 433,625.00             | 433,625.00             | -                     | 433,625.00             | -            |
| 05/01/2032   | 200,000.00             | 5.000%   | 433,625.00             | 633,625.00             | -                     | 633,625.00             | -            |
| 06/30/2032   | -                      | -        | -                      | -                      | -                     | -                      | 1,067,250.00 |
| 11/01/2032   | -                      | -        | 428,625.00             | 428,625.00             | -                     | 428,625.00             | -            |
| 05/01/2033   | 8,240,000.00           | 5.000%   | 428,625.00             | 8,668,625.00           | -                     | 8,668,625.00           | -            |
| 06/30/2033   | -                      | -        | -                      | -                      | -                     | -                      | 9,097,250.00 |
| 11/01/2033   | -                      | -        | 222,625.00             | 222,625.00             | -                     | 222,625.00             | -            |
| 05/01/2034   | 8,905,000.00           | 5.000%   | 222,625.00             | 9,127,625.00           | -                     | 9,127,625.00           | -            |
| 06/30/2034   | -                      | -        | -                      | -                      | -                     | -                      | 9,350,250.00 |
| <b>Total</b> | <b>\$25,905,000.00</b> | <b>-</b> | <b>\$25,227,062.50</b> | <b>\$51,132,062.50</b> | <b>(2,266,687.50)</b> | <b>\$48,865,375.00</b> | <b>-</b>     |



**\$25,905,000**

City of Syracuse

SIDA Bonds

Phase III (15/20 yr) - Non-Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest           | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|--------------------|-----------------------|-----------------------|--------------|
| 02/01/2013   | -                     | -          | -                  | 0.01                  | -                     | 0.01         |
| 11/01/2013   | 927,734.73            | 4.0000000% | 43,702.76          | 971,437.49            | 971,437.50            | -            |
| 05/01/2014   | 622,476.93            | 4.0000000% | 25,148.07          | 647,625.00            | 647,625.00            | -            |
| 11/01/2014   | 634,926.47            | 4.0000000% | 12,698.53          | 647,625.00            | 647,625.00            | -            |
| <b>Total</b> | <b>\$2,185,138.13</b> | <b>-</b>   | <b>\$81,549.36</b> | <b>\$2,266,687.50</b> | <b>\$2,266,687.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model (PV, GIC, or Securities)        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.01           |
| Cost of Investments Purchased with Bond Proceeds | 2,185,138.13   |
| Total Cost of Investments                        | \$2,185,138.14 |
| Target Cost of Investments at bond yield         | \$2,159,982.37 |
| Actual positive or (negative) arbitrage          | (25,155.77)    |
| Yield to Receipt                                 | 3.1404257%     |
| Yield for Arbitrage Purposes                     | 4.1461121%     |

#### Composition Of Initial Deposit

|   |              |
|---|--------------|
| Original Bond Proceeds                      | 2,185,138.14 |
| Accrued Interest                            | -            |
| Cash Contribution and Prior Issue Transfers | -            |

**\$152,110,000**

City of Syracuse  
SIDA Bonds  
Phase IV (15/20 yr)

## Total Issue Sources And Uses

Dated 02/01/2015 | Delivered 02/01/2015

|  | Aidable -<br>Reconstructio<br>n | Aidable -<br>Addition  | Non-Aidable -<br>Reconstructi<br>on | Non-Aidable -<br>Addition | Issue Summary           |
|--|---------------------------------|------------------------|-------------------------------------|---------------------------|-------------------------|
| <b>Sources Of Funds</b>                    |                                 |                        |                                     |                           |                         |
| Par Amount of Bonds                        | \$64,055,000.00                 | \$67,460,000.00        | \$4,435,000.00                      | \$16,160,000.00           | \$152,110,000.00        |
| Reoffering Premium                         | 4,247,596.50                    | 4,075,511.65           | 322,990.65                          | 752,270.20                | 9,398,369.00            |
| <b>Total Sources</b>                       | <b>\$68,302,596.50</b>          | <b>\$71,535,511.65</b> | <b>\$4,757,990.65</b>               | <b>\$16,912,270.20</b>    | <b>\$161,508,369.00</b> |
| <b>Uses Of Funds</b>                       |                                 |                        |                                     |                           |                         |
| Total Management Fees                      | 32,027.50                       | 33,730.00              | 2,217.50                            | 8,080.00                  | 76,055.00               |
| Total Average Takedown                     | 176,151.25                      | 185,515.00             | 12,196.25                           | 44,440.00                 | 418,302.50              |
| Underwriter's Counsel                      | 48,041.25                       | 50,595.00              | 3,326.25                            | 12,120.00                 | 114,082.50              |
| SIFMA                                      | 1,921.65                        | 2,023.80               | 133.05                              | 484.80                    | 4,563.30                |
| Dalcomp                                    | 3,843.30                        | 4,047.60               | 266.10                              | 969.60                    | 9,126.60                |
| DTC  | 128.11                          | 134.92                 | 8.87                                | 32.32                     | 304.22                  |
| CUSIP                                      | 192.17                          | 202.38                 | 13.31                               | 48.48                     | 456.33                  |
| Day Loan                                   | 1,793.54                        | 1,888.88               | 124.18                              | 452.48                    | 4,259.08                |
| Costs of Issuance                          | 421,109.72                      | 443,494.84             | 29,156.53                           | 106,238.91                | 1,000,000.00            |
| Gross Bond Insurance Premium               | 337,994.78                      | 393,680.00             | 24,077.16                           | 114,972.38                | 870,724.32              |
| Surety                                     | 123,250.58                      | 129,802.27             | 8,533.55                            | 31,094.05                 | 292,680.45              |
| SBIC                                       | 445,268.13                      | 468,937.44             | 30,829.20                           | 112,333.67                | 1,057,368.44            |
| IDA Fee                                    | 320,275.00                      | 337,300.00             | 22,175.00                           | 80,800.00                 | 760,550.00              |
| Deposit to Capitalized Interest (CIF) Fund | 5,349,931.86                    | 4,060,751.73           | 374,101.05                          | 1,363,128.06              | 11,147,912.70           |
| Deposit to Project Construction Fund       | 61,038,690.00                   | 65,422,694.00          | -                                   | -                         | 126,461,384.00          |
| Rounding Amount                            | 1,977.66                        | 713.79                 | 4,250,832.65                        | 15,037,075.45             | 19,290,599.55           |
| <b>Total Uses</b>                          | <b>\$68,302,596.50</b>          | <b>\$71,535,511.65</b> | <b>\$4,757,990.65</b>               | <b>\$16,912,270.20</b>    | <b>\$161,508,369.00</b> |

Phase IV (15/20 yr) IDA | Issue Summary | 11/14/2007 | 8:21 PM

**\$152,110,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr)

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value          | Price      | Dollar Price            |
|--------------|---------------|--------|--------|-------------------------|------------|-------------------------|
| 05/01/2017   | Serial Coupon | 5.000% | 3.430% | 5,010,000.00            | 103.366%   | 5,178,636.60            |
| 05/01/2018   | Serial Coupon | 5.000% | 3.490% | 5,255,000.00            | 104.596%   | 5,496,519.80            |
| 05/01/2019   | Serial Coupon | 5.000% | 3.530% | 5,525,000.00            | 105.749%   | 5,842,632.25            |
| 05/01/2020   | Serial Coupon | 5.000% | 3.570% | 5,795,000.00            | 106.785%   | 6,188,190.75            |
| 05/01/2021   | Serial Coupon | 5.000% | 3.630% | 6,090,000.00            | 107.593%   | 6,552,413.70            |
| 05/01/2022   | Serial Coupon | 5.000% | 3.700% | 6,395,000.00            | 108.195%   | 6,919,070.25            |
| 05/01/2023   | Serial Coupon | 5.000% | 3.770% | 6,715,000.00            | 108.645%   | 7,295,511.75            |
| 05/01/2024   | Serial Coupon | 5.000% | 3.840% | 7,045,000.00            | 108.130% c | 7,617,758.50            |
| 05/01/2025   | Serial Coupon | 5.000% | 3.910% | 8,530,000.00            | 107.617% c | 9,179,730.10            |
| 05/01/2026   | Serial Coupon | 5.000% | 3.970% | 11,015,000.00           | 107.179% c | 11,805,766.85           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.000% | 8,160,000.00            | 106.962% c | 8,728,099.20            |
| 05/01/2028   | Serial Coupon | 5.000% | 4.050% | 8,625,000.00            | 106.600% c | 9,194,250.00            |
| 05/01/2029   | Serial Coupon | 5.000% | 4.120% | 8,995,000.00            | 106.095% c | 9,543,245.25            |
| 05/01/2030   | Serial Coupon | 5.000% | 4.160% | 9,445,000.00            | 105.808% c | 9,993,565.60            |
| 05/01/2031   | Serial Coupon | 5.000% | 4.190% | 9,915,000.00            | 105.594% c | 10,469,645.10           |
| 05/01/2032   | Serial Coupon | 5.000% | 4.220% | 4,240,000.00            | 105.380% c | 4,468,112.00            |
| 05/01/2033   | Serial Coupon | 5.000% | 4.250% | 4,455,000.00            | 105.166% c | 4,685,145.30            |
| 05/01/2034   | Serial Coupon | 5.000% | 4.280% | 4,675,000.00            | 104.953% c | 4,906,552.75            |
| 05/01/2035   | Serial Coupon | 5.000% | 4.310% | 14,525,000.00           | 104.741% c | 15,213,630.25           |
| 05/01/2036   | Serial Coupon | 5.000% | 4.340% | 11,700,000.00           | 104.529% c | 12,229,893.00           |
| <b>Total</b> | -             | -      | -      | <b>\$152,110,000.00</b> | -          | <b>\$161,508,369.00</b> |

### Bid Information

|                                       |                  |
|---------------------------------------|------------------|
| Par Amount of Bonds                   | \$152,110,000.00 |
| Reoffering Premium or (Discount)      | 9,398,369.00     |
| Gross Production                      | \$161,508,369.00 |
| Total Underwriter's Discount (0.412%) | \$(627,149.54)   |
| Bid (105.766%)                        | 160,881,219.46   |
| Total Purchase Price                  | \$160,881,219.46 |
| Bond Year Dollars                     | \$1,933,367.50   |
| Average Life                          | 12.710 Years     |
| Average Coupon                        | 5.0000000%       |
| Net Interest Cost (NIC)               | 4.5463243%       |
| True Interest Cost (TIC)              | 4.3760896%       |

**\$152,110,000**

City of Syracuse  
SIDA Bonds  
Phase IV (15/20 yr)

### Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               |
|--------------|-------------------------|----------|------------------------|-------------------------|
| 05/01/2015   | -                       | -        | -                      | -                       |
| 05/01/2016   | -                       | -        | 9,506,875.00           | 9,506,875.00            |
| 05/01/2017   | 5,010,000.00            | 5.000%   | 7,603,500.00           | 12,615,500.00           |
| 05/01/2018   | 5,255,000.00            | 5.000%   | 7,355,000.00           | 12,610,000.00           |
| 05/01/2019   | 5,525,000.00            | 5.000%   | 7,092,250.00           | 12,617,250.00           |
| 05/01/2020   | 5,795,000.00            | 5.000%   | 6,816,000.00           | 12,611,000.00           |
| 05/01/2021   | 6,090,000.00            | 5.000%   | 6,526,250.00           | 12,616,250.00           |
| 05/01/2022   | 6,395,000.00            | 5.000%   | 6,221,750.00           | 12,616,750.00           |
| 05/01/2023   | 6,715,000.00            | 5.000%   | 5,902,000.00           | 12,617,000.00           |
| 05/01/2024   | 7,045,000.00            | 5.000%   | 5,566,250.00           | 12,611,250.00           |
| 05/01/2025   | 8,530,000.00            | 5.000%   | 5,214,000.00           | 13,744,000.00           |
| 05/01/2026   | 11,015,000.00           | 5.000%   | 4,787,500.00           | 15,802,500.00           |
| 05/01/2027   | 8,160,000.00            | 5.000%   | 4,236,750.00           | 12,396,750.00           |
| 05/01/2028   | 8,625,000.00            | 5.000%   | 3,828,750.00           | 12,453,750.00           |
| 05/01/2029   | 8,995,000.00            | 5.000%   | 3,397,500.00           | 12,392,500.00           |
| 05/01/2030   | 9,445,000.00            | 5.000%   | 2,947,750.00           | 12,392,750.00           |
| 05/01/2031   | 9,915,000.00            | 5.000%   | 2,475,500.00           | 12,390,500.00           |
| 05/01/2032   | 4,240,000.00            | 5.000%   | 1,979,750.00           | 6,219,750.00            |
| 05/01/2033   | 4,455,000.00            | 5.000%   | 1,767,750.00           | 6,222,750.00            |
| 05/01/2034   | 4,675,000.00            | 5.000%   | 1,545,000.00           | 6,220,000.00            |
| 05/01/2035   | 14,525,000.00           | 5.000%   | 1,311,250.00           | 15,836,250.00           |
| 05/01/2036   | 11,700,000.00           | 5.000%   | 585,000.00             | 12,285,000.00           |
| <b>Total</b> | <b>\$152,110,000.00</b> | <b>-</b> | <b>\$96,668,375.00</b> | <b>\$248,778,375.00</b> |

#### Yield Statistics

|                                   |                |
|-----------------------------------|----------------|
| Bond Year Dollars                 | \$1,933,367.50 |
| Average Life                      | 12.710 Years   |
| Average Coupon                    | 5.000000%      |
| Net Interest Cost (NIC)           | 4.5463243%     |
| True Interest Cost (TIC)          | 4.3760896%     |
| Bond Yield for Arbitrage Purposes | 4.1441735%     |
| All Inclusive Cost (AIC)          | 4.6519429%     |
| <b>IRS Form 8038</b>              |                |
| Net Interest Cost                 | 4.2617112%     |
| Weighted Average Maturity         | 12.679 Years   |

**\$152,110,000**

City of Syracuse  
SIDA Bonds  
Phase IV (15/20 yr)

**Debt Service Schedule**

Part 1 of 2

| Date         | Principal               | Coupon   | Interest               | Total P+I               | Fiscal Total  |
|--------------|-------------------------|----------|------------------------|-------------------------|---------------|
| 02/01/2015   | -                       | -        | -                      | -                       | -             |
| 11/01/2015   | -                       | -        | 5,704,125.00           | 5,704,125.00            | -             |
| 05/01/2016   | -                       | -        | 3,802,750.00           | 3,802,750.00            | 9,506,875.00  |
| 11/01/2016   | -                       | -        | 3,802,750.00           | 3,802,750.00            | -             |
| 05/01/2017   | 5,010,000.00            | 5.000%   | 3,802,750.00           | 8,812,750.00            | 12,615,500.00 |
| 11/01/2017   | -                       | -        | 3,677,500.00           | 3,677,500.00            | -             |
| 05/01/2018   | 5,255,000.00            | 5.000%   | 3,677,500.00           | 8,932,500.00            | 12,610,000.00 |
| 11/01/2018   | -                       | -        | 3,546,125.00           | 3,546,125.00            | -             |
| 05/01/2019   | 5,525,000.00            | 5.000%   | 3,546,125.00           | 9,071,125.00            | 12,617,250.00 |
| 11/01/2019   | -                       | -        | 3,408,000.00           | 3,408,000.00            | -             |
| 05/01/2020   | 5,795,000.00            | 5.000%   | 3,408,000.00           | 9,203,000.00            | 12,611,000.00 |
| 11/01/2020   | -                       | -        | 3,263,125.00           | 3,263,125.00            | -             |
| 05/01/2021   | 6,090,000.00            | 5.000%   | 3,263,125.00           | 9,353,125.00            | 12,616,250.00 |
| 11/01/2021   | -                       | -        | 3,110,875.00           | 3,110,875.00            | -             |
| 05/01/2022   | 6,395,000.00            | 5.000%   | 3,110,875.00           | 9,505,875.00            | 12,616,750.00 |
| 11/01/2022   | -                       | -        | 2,951,000.00           | 2,951,000.00            | -             |
| 05/01/2023   | 6,715,000.00            | 5.000%   | 2,951,000.00           | 9,666,000.00            | 12,617,000.00 |
| 11/01/2023   | -                       | -        | 2,783,125.00           | 2,783,125.00            | -             |
| 05/01/2024   | 7,045,000.00            | 5.000%   | 2,783,125.00           | 9,828,125.00            | 12,611,250.00 |
| 11/01/2024   | -                       | -        | 2,607,000.00           | 2,607,000.00            | -             |
| 05/01/2025   | 8,530,000.00            | 5.000%   | 2,607,000.00           | 11,137,000.00           | 13,744,000.00 |
| 11/01/2025   | -                       | -        | 2,393,750.00           | 2,393,750.00            | -             |
| 05/01/2026   | 11,015,000.00           | 5.000%   | 2,393,750.00           | 13,408,750.00           | 15,802,500.00 |
| 11/01/2026   | -                       | -        | 2,118,375.00           | 2,118,375.00            | -             |
| 05/01/2027   | 8,160,000.00            | 5.000%   | 2,118,375.00           | 10,278,375.00           | 12,396,750.00 |
| 11/01/2027   | -                       | -        | 1,914,375.00           | 1,914,375.00            | -             |
| 05/01/2028   | 8,625,000.00            | 5.000%   | 1,914,375.00           | 10,539,375.00           | 12,453,750.00 |
| 11/01/2028   | -                       | -        | 1,698,750.00           | 1,698,750.00            | -             |
| 05/01/2029   | 8,995,000.00            | 5.000%   | 1,698,750.00           | 10,693,750.00           | 12,392,500.00 |
| 11/01/2029   | -                       | -        | 1,473,875.00           | 1,473,875.00            | -             |
| 05/01/2030   | 9,445,000.00            | 5.000%   | 1,473,875.00           | 10,918,875.00           | 12,392,750.00 |
| 11/01/2030   | -                       | -        | 1,237,750.00           | 1,237,750.00            | -             |
| 05/01/2031   | 9,915,000.00            | 5.000%   | 1,237,750.00           | 11,152,750.00           | 12,390,500.00 |
| 11/01/2031   | -                       | -        | 989,875.00             | 989,875.00              | -             |
| 05/01/2032   | 4,240,000.00            | 5.000%   | 989,875.00             | 5,229,875.00            | 6,219,750.00  |
| 11/01/2032   | -                       | -        | 883,875.00             | 883,875.00              | -             |
| 05/01/2033   | 4,455,000.00            | 5.000%   | 883,875.00             | 5,338,875.00            | 6,222,750.00  |
| 11/01/2033   | -                       | -        | 772,500.00             | 772,500.00              | -             |
| 05/01/2034   | 4,675,000.00            | 5.000%   | 772,500.00             | 5,447,500.00            | 6,220,000.00  |
| 11/01/2034   | -                       | -        | 655,625.00             | 655,625.00              | -             |
| 05/01/2035   | 14,525,000.00           | 5.000%   | 655,625.00             | 15,180,625.00           | 15,836,250.00 |
| 11/01/2035   | -                       | -        | 292,500.00             | 292,500.00              | -             |
| 05/01/2036   | 11,700,000.00           | 5.000%   | 292,500.00             | 11,992,500.00           | 12,285,000.00 |
| <b>Total</b> | <b>\$152,110,000.00</b> | <b>-</b> | <b>\$96,668,375.00</b> | <b>\$248,778,375.00</b> | <b>-</b>      |

**\$152,110,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr)

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

|                   |                |
|-------------------|----------------|
| Bond Year Dollars | \$1,933,367.50 |
| Average Life      | 12.710 Years   |
| Average Coupon    | 5.0000000%     |

|                                   |            |
|-----------------------------------|------------|
| Net Interest Cost (NIC)           | 4.5463243% |
| True Interest Cost (TIC)          | 4.3760896% |
| Bond Yield for Arbitrage Purposes | 4.1441735% |
| All Inclusive Cost (AIC)          | 4.6519429% |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2617112%   |
| Weighted Average Maturity | 12.679 Years |

**\$152,110,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr)

### Net Debt Service Schedule

| Date         | Principal               | Coupon   | Interest               | Total P+I               | CIF                    | Net New D/S             | Fiscal Total  |
|--------------|-------------------------|----------|------------------------|-------------------------|------------------------|-------------------------|---------------|
| 02/01/2015   | -                       | -        | -                      | -                       | -                      | -                       | -             |
| 11/01/2015   | -                       | -        | 5,704,125.00           | 5,704,125.00            | (5,704,125.00)         | -                       | -             |
| 05/01/2016   | -                       | -        | 3,802,750.00           | 3,802,750.00            | (3,802,750.00)         | -                       | -             |
| 11/01/2016   | -                       | -        | 3,802,750.00           | 3,802,750.00            | (2,116,250.00)         | 1,686,500.00            | -             |
| 05/01/2017   | 5,010,000.00            | 5.000%   | 3,802,750.00           | 8,812,750.00            | -                      | 8,812,750.00            | 10,499,250.00 |
| 11/01/2017   | -                       | -        | 3,677,500.00           | 3,677,500.00            | -                      | 3,677,500.00            | -             |
| 05/01/2018   | 5,255,000.00            | 5.000%   | 3,677,500.00           | 8,932,500.00            | -                      | 8,932,500.00            | 12,610,000.00 |
| 11/01/2018   | -                       | -        | 3,546,125.00           | 3,546,125.00            | -                      | 3,546,125.00            | -             |
| 05/01/2019   | 5,525,000.00            | 5.000%   | 3,546,125.00           | 9,071,125.00            | -                      | 9,071,125.00            | 12,617,250.00 |
| 11/01/2019   | -                       | -        | 3,408,000.00           | 3,408,000.00            | -                      | 3,408,000.00            | -             |
| 05/01/2020   | 5,795,000.00            | 5.000%   | 3,408,000.00           | 9,203,000.00            | -                      | 9,203,000.00            | 12,611,000.00 |
| 11/01/2020   | -                       | -        | 3,263,125.00           | 3,263,125.00            | -                      | 3,263,125.00            | -             |
| 05/01/2021   | 6,090,000.00            | 5.000%   | 3,263,125.00           | 9,353,125.00            | -                      | 9,353,125.00            | 12,616,250.00 |
| 11/01/2021   | -                       | -        | 3,110,875.00           | 3,110,875.00            | -                      | 3,110,875.00            | -             |
| 05/01/2022   | 6,395,000.00            | 5.000%   | 3,110,875.00           | 9,505,875.00            | -                      | 9,505,875.00            | 12,616,750.00 |
| 11/01/2022   | -                       | -        | 2,951,000.00           | 2,951,000.00            | -                      | 2,951,000.00            | -             |
| 05/01/2023   | 6,715,000.00            | 5.000%   | 2,951,000.00           | 9,666,000.00            | -                      | 9,666,000.00            | 12,617,000.00 |
| 11/01/2023   | -                       | -        | 2,783,125.00           | 2,783,125.00            | -                      | 2,783,125.00            | -             |
| 05/01/2024   | 7,045,000.00            | 5.000%   | 2,783,125.00           | 9,828,125.00            | -                      | 9,828,125.00            | 12,611,250.00 |
| 11/01/2024   | -                       | -        | 2,607,000.00           | 2,607,000.00            | -                      | 2,607,000.00            | -             |
| 05/01/2025   | 8,530,000.00            | 5.000%   | 2,607,000.00           | 11,137,000.00           | -                      | 11,137,000.00           | 13,744,000.00 |
| 11/01/2025   | -                       | -        | 2,393,750.00           | 2,393,750.00            | -                      | 2,393,750.00            | -             |
| 05/01/2026   | 11,015,000.00           | 5.000%   | 2,393,750.00           | 13,408,750.00           | -                      | 13,408,750.00           | 15,802,500.00 |
| 11/01/2026   | -                       | -        | 2,118,375.00           | 2,118,375.00            | -                      | 2,118,375.00            | -             |
| 05/01/2027   | 8,160,000.00            | 5.000%   | 2,118,375.00           | 10,278,375.00           | -                      | 10,278,375.00           | 12,396,750.00 |
| 11/01/2027   | -                       | -        | 1,914,375.00           | 1,914,375.00            | -                      | 1,914,375.00            | -             |
| 05/01/2028   | 8,625,000.00            | 5.000%   | 1,914,375.00           | 10,539,375.00           | -                      | 10,539,375.00           | 12,453,750.00 |
| 11/01/2028   | -                       | -        | 1,698,750.00           | 1,698,750.00            | -                      | 1,698,750.00            | -             |
| 05/01/2029   | 8,995,000.00            | 5.000%   | 1,698,750.00           | 10,693,750.00           | -                      | 10,693,750.00           | 12,392,500.00 |
| 11/01/2029   | -                       | -        | 1,473,875.00           | 1,473,875.00            | -                      | 1,473,875.00            | -             |
| 05/01/2030   | 9,445,000.00            | 5.000%   | 1,473,875.00           | 10,918,875.00           | -                      | 10,918,875.00           | 12,392,750.00 |
| 11/01/2030   | -                       | -        | 1,237,750.00           | 1,237,750.00            | -                      | 1,237,750.00            | -             |
| 05/01/2031   | 9,915,000.00            | 5.000%   | 1,237,750.00           | 11,152,750.00           | -                      | 11,152,750.00           | 12,390,500.00 |
| 11/01/2031   | -                       | -        | 989,875.00             | 989,875.00              | -                      | 989,875.00              | -             |
| 05/01/2032   | 4,240,000.00            | 5.000%   | 989,875.00             | 5,229,875.00            | -                      | 5,229,875.00            | 6,219,750.00  |
| 11/01/2032   | -                       | -        | 883,875.00             | 883,875.00              | -                      | 883,875.00              | -             |
| 05/01/2033   | 4,455,000.00            | 5.000%   | 883,875.00             | 5,338,875.00            | -                      | 5,338,875.00            | 6,222,750.00  |
| 11/01/2033   | -                       | -        | 772,500.00             | 772,500.00              | -                      | 772,500.00              | -             |
| 05/01/2034   | 4,675,000.00            | 5.000%   | 772,500.00             | 5,447,500.00            | -                      | 5,447,500.00            | 6,220,000.00  |
| 11/01/2034   | -                       | -        | 655,625.00             | 655,625.00              | -                      | 655,625.00              | -             |
| 05/01/2035   | 14,525,000.00           | 5.000%   | 655,625.00             | 15,180,625.00           | -                      | 15,180,625.00           | 15,836,250.00 |
| 11/01/2035   | -                       | -        | 292,500.00             | 292,500.00              | -                      | 292,500.00              | -             |
| 05/01/2036   | 11,700,000.00           | 5.000%   | 292,500.00             | 11,992,500.00           | -                      | 11,992,500.00           | 12,285,000.00 |
| <b>Total</b> | <b>\$152,110,000.00</b> | <b>-</b> | <b>\$96,668,375.00</b> | <b>\$248,778,375.00</b> | <b>(11,623,125.00)</b> | <b>\$237,155,250.00</b> | <b>-</b>      |

**\$152,110,000**

City of Syracuse  
SIDA Bonds  
Phase IV (15/20 yr)

### Operation Of Project Construction Fund

| Date         | Principal               | Rate     | Receipts                | Disbursements           | Cash Balance |
|--------------|-------------------------|----------|-------------------------|-------------------------|--------------|
| 02/01/2015   | 126,461,384.00          | -        | 126,461,384.00          | 126,461,384.00          | -            |
| <b>Total</b> | <b>\$126,461,384.00</b> | <b>-</b> | <b>\$126,461,384.00</b> | <b>\$126,461,384.00</b> | <b>-</b>     |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                         |
|--|-------------------------|
| Cost of Investments Purchased with Bond Proceeds | 126,461,384.00          |
| <b>Total Cost of Investments</b>                 | <b>\$126,461,384.00</b> |

|  |                  |
|--|------------------|
| Target Cost of Investments at bond yield | \$126,461,384.00 |
|--|------------------|

|                              |            |
|------------------------------|------------|
| Yield to Receipt             | -          |
| Yield for Arbitrage Purposes | 4.1441735% |



**\$152,110,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr)

### Operation Of Capitalized Interest Fund

| Date         | Principal              | Rate       | Interest            | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|------------|---------------------|------------------------|------------------------|--------------|
| 02/01/2015   | -                      | -          | -                   | 0.08                   | -                      | 0.08         |
| 05/01/2015   | (93,640.94)            | 4.0000000% | 93,640.94           | -                      | -                      | 0.08         |
| 11/01/2015   | 5,479,293.90           | 4.0000000% | 224,831.07          | 5,704,124.97           | 5,704,125.00           | 0.05         |
| 05/01/2016   | 3,687,504.78           | 4.0000000% | 115,245.19          | 3,802,749.97           | 3,802,750.00           | 0.02         |
| 11/01/2016   | 2,074,754.88           | 4.0000000% | 41,495.10           | 2,116,249.98           | 2,116,250.00           | -            |
| <b>Total</b> | <b>\$11,147,912.62</b> | <b>-</b>   | <b>\$475,212.30</b> | <b>\$11,623,125.00</b> | <b>\$11,623,125.00</b> | <b>-</b>     |

#### Investment Parameters

|  |                 |
|--|-----------------|
| Investment Model (PV, GIC, or Securities)        | GIC             |
| Default investment yield target                  | User Defined    |
| Cash Deposit                                     | 0.08            |
| Cost of Investments Purchased with Bond Proceeds | 11,147,912.62   |
| Total Cost of Investments                        | \$11,147,912.70 |
| Target Cost of Investments at bond yield         | \$11,113,669.14 |
| Actual positive or (negative) arbitrage          | (34,243.56)     |
| Yield to Receipt                                 | 3.8562736%      |
| Yield for Arbitrage Purposes                     | 4.1441735%      |
| <b>Composition Of Initial Deposit</b>            |                 |
| Original Bond Proceeds                           | 11,147,912.70   |
| Accrued Interest                                 | -               |
| Cash Contribution and Prior Issue Transfers      | -               |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price      | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|------------|------------------------|
| 05/01/2017   | Serial Coupon | 5.000% | 3.430% | 2,970,000.00           | 103.366%   | 3,069,970.20           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.490% | 3,115,000.00           | 104.596%   | 3,258,165.40           |
| 05/01/2019   | Serial Coupon | 5.000% | 3.530% | 3,275,000.00           | 105.749%   | 3,463,279.75           |
| 05/01/2020   | Serial Coupon | 5.000% | 3.570% | 3,435,000.00           | 106.785%   | 3,668,064.75           |
| 05/01/2021   | Serial Coupon | 5.000% | 3.630% | 3,610,000.00           | 107.593%   | 3,884,107.30           |
| 05/01/2022   | Serial Coupon | 5.000% | 3.700% | 3,790,000.00           | 108.195%   | 4,100,590.50           |
| 05/01/2023   | Serial Coupon | 5.000% | 3.770% | 3,980,000.00           | 108.645%   | 4,324,071.00           |
| 05/01/2024   | Serial Coupon | 5.000% | 3.840% | 4,175,000.00           | 108.130% c | 4,514,427.50           |
| 05/01/2025   | Serial Coupon | 5.000% | 3.910% | 4,385,000.00           | 107.617% c | 4,719,005.45           |
| 05/01/2026   | Serial Coupon | 5.000% | 3.970% | 4,605,000.00           | 107.179% c | 4,935,592.95           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.000% | 4,835,000.00           | 106.962% c | 5,171,612.70           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.050% | 5,075,000.00           | 106.600% c | 5,409,950.00           |
| 05/01/2029   | Serial Coupon | 5.000% | 4.120% | 5,330,000.00           | 106.095% c | 5,654,863.50           |
| 05/01/2030   | Serial Coupon | 5.000% | 4.160% | 5,600,000.00           | 105.808% c | 5,925,248.00           |
| 05/01/2031   | Serial Coupon | 5.000% | 4.190% | 5,875,000.00           | 105.594% c | 6,203,647.50           |
| <b>Total</b> | -             | -      | -      | <b>\$64,055,000.00</b> | -          | <b>\$68,302,596.50</b> |

#### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$64,055,000.00 |
| Reoffering Premium or (Discount)      | 4,247,596.50    |
| Gross Production                      | \$68,302,596.50 |
| Total Underwriter's Discount (0.412%) | \$(264,098.77)  |
| Bid (106.219%)                        | 68,038,497.73   |
| Total Purchase Price                  | \$68,038,497.73 |
| Bond Year Dollars                     | \$650,298.75    |
| Average Life                          | 10.152 Years    |
| Average Coupon                        | 5.000000%       |
| Net Interest Cost (NIC)               | 4.3874357%      |
| True Interest Cost (TIC)              | 4.2143792%      |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2015   | -                      | -        | -                      | -                      |
| 05/01/2016   | -                      | -        | 4,003,437.50           | 4,003,437.50           |
| 05/01/2017   | 2,970,000.00           | 5.000%   | 3,202,750.00           | 6,172,750.00           |
| 05/01/2018   | 3,115,000.00           | 5.000%   | 3,054,250.00           | 6,169,250.00           |
| 05/01/2019   | 3,275,000.00           | 5.000%   | 2,898,500.00           | 6,173,500.00           |
| 05/01/2020   | 3,435,000.00           | 5.000%   | 2,734,750.00           | 6,169,750.00           |
| 05/01/2021   | 3,610,000.00           | 5.000%   | 2,563,000.00           | 6,173,000.00           |
| 05/01/2022   | 3,790,000.00           | 5.000%   | 2,382,500.00           | 6,172,500.00           |
| 05/01/2023   | 3,980,000.00           | 5.000%   | 2,193,000.00           | 6,173,000.00           |
| 05/01/2024   | 4,175,000.00           | 5.000%   | 1,994,000.00           | 6,169,000.00           |
| 05/01/2025   | 4,385,000.00           | 5.000%   | 1,785,250.00           | 6,170,250.00           |
| 05/01/2026   | 4,605,000.00           | 5.000%   | 1,566,000.00           | 6,171,000.00           |
| 05/01/2027   | 4,835,000.00           | 5.000%   | 1,335,750.00           | 6,170,750.00           |
| 05/01/2028   | 5,075,000.00           | 5.000%   | 1,094,000.00           | 6,169,000.00           |
| 05/01/2029   | 5,330,000.00           | 5.000%   | 840,250.00             | 6,170,250.00           |
| 05/01/2030   | 5,600,000.00           | 5.000%   | 573,750.00             | 6,173,750.00           |
| 05/01/2031   | 5,875,000.00           | 5.000%   | 293,750.00             | 6,168,750.00           |
| <b>Total</b> | <b>\$64,055,000.00</b> | <b>-</b> | <b>\$32,514,937.50</b> | <b>\$96,569,937.50</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$650,298.75 |
| Average Life                      | 10.152 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.3874357%   |
| True Interest Cost (TIC)          | 4.2143792%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.5302170%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.0755106%   |
| Weighted Average Maturity | 10.155 Years |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

## Debt Service Schedule

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2015 | -            | -      | -            | -            | -            |
| 11/01/2015 | -            | -      | 2,402,062.50 | 2,402,062.50 | -            |
| 05/01/2016 | -            | -      | 1,601,375.00 | 1,601,375.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 4,003,437.50 |
| 11/01/2016 | -            | -      | 1,601,375.00 | 1,601,375.00 | -            |
| 05/01/2017 | 2,970,000.00 | 5.000% | 1,601,375.00 | 4,571,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 6,172,750.00 |
| 11/01/2017 | -            | -      | 1,527,125.00 | 1,527,125.00 | -            |
| 05/01/2018 | 3,115,000.00 | 5.000% | 1,527,125.00 | 4,642,125.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 6,169,250.00 |
| 11/01/2018 | -            | -      | 1,449,250.00 | 1,449,250.00 | -            |
| 05/01/2019 | 3,275,000.00 | 5.000% | 1,449,250.00 | 4,724,250.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 6,173,500.00 |
| 11/01/2019 | -            | -      | 1,367,375.00 | 1,367,375.00 | -            |
| 05/01/2020 | 3,435,000.00 | 5.000% | 1,367,375.00 | 4,802,375.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 6,169,750.00 |
| 11/01/2020 | -            | -      | 1,281,500.00 | 1,281,500.00 | -            |
| 05/01/2021 | 3,610,000.00 | 5.000% | 1,281,500.00 | 4,891,500.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 6,173,000.00 |
| 11/01/2021 | -            | -      | 1,191,250.00 | 1,191,250.00 | -            |
| 05/01/2022 | 3,790,000.00 | 5.000% | 1,191,250.00 | 4,981,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 6,172,500.00 |
| 11/01/2022 | -            | -      | 1,096,500.00 | 1,096,500.00 | -            |
| 05/01/2023 | 3,980,000.00 | 5.000% | 1,096,500.00 | 5,076,500.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 6,173,000.00 |
| 11/01/2023 | -            | -      | 997,000.00   | 997,000.00   | -            |
| 05/01/2024 | 4,175,000.00 | 5.000% | 997,000.00   | 5,172,000.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 6,169,000.00 |
| 11/01/2024 | -            | -      | 892,625.00   | 892,625.00   | -            |
| 05/01/2025 | 4,385,000.00 | 5.000% | 892,625.00   | 5,277,625.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 6,170,250.00 |
| 11/01/2025 | -            | -      | 783,000.00   | 783,000.00   | -            |
| 05/01/2026 | 4,605,000.00 | 5.000% | 783,000.00   | 5,388,000.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | 6,171,000.00 |
| 11/01/2026 | -            | -      | 667,875.00   | 667,875.00   | -            |
| 05/01/2027 | 4,835,000.00 | 5.000% | 667,875.00   | 5,502,875.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | 6,170,750.00 |
| 11/01/2027 | -            | -      | 547,000.00   | 547,000.00   | -            |
| 05/01/2028 | 5,075,000.00 | 5.000% | 547,000.00   | 5,622,000.00 | -            |
| 06/30/2028 | -            | -      | -            | -            | 6,169,000.00 |
| 11/01/2028 | -            | -      | 420,125.00   | 420,125.00   | -            |
| 05/01/2029 | 5,330,000.00 | 5.000% | 420,125.00   | 5,750,125.00 | -            |
| 06/30/2029 | -            | -      | -            | -            | 6,170,250.00 |
| 11/01/2029 | -            | -      | 286,875.00   | 286,875.00   | -            |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 05/01/2030   | 5,600,000.00           | 5.000%   | 286,875.00             | 5,886,875.00           | -            |
| 06/30/2030   | -                      | -        | -                      | -                      | 6,173,750.00 |
| 11/01/2030   | -                      | -        | 146,875.00             | 146,875.00             | -            |
| 05/01/2031   | 5,875,000.00           | 5.000%   | 146,875.00             | 6,021,875.00           | -            |
| 06/30/2031   | -                      | -        | -                      | -                      | 6,168,750.00 |
| <b>Total</b> | <b>\$64,055,000.00</b> | <b>-</b> | <b>\$32,514,937.50</b> | <b>\$96,569,937.50</b> | <b>-</b>     |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$650,298.75 |
| Average Life                      | 10.152 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.3874357%   |
| True Interest Cost (TIC)          | 4.2143792%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.5302170%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.0755106%   |
| Weighted Average Maturity | 10.155 Years |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+i    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2015 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2015 | -            | -      | 2,402,062.50 | 2,402,062.50 | (2,402,062.50) | -            | -            |
| 05/01/2016 | -            | -      | 1,601,375.00 | 1,601,375.00 | (1,601,375.00) | -            | -            |
| 11/01/2016 | -            | -      | 1,601,375.00 | 1,601,375.00 | (1,601,375.00) | -            | -            |
| 05/01/2017 | 2,970,000.00 | 5.000% | 1,601,375.00 | 4,571,375.00 | -              | 4,571,375.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 4,571,375.00 |
| 11/01/2017 | -            | -      | 1,527,125.00 | 1,527,125.00 | -              | 1,527,125.00 | -            |
| 05/01/2018 | 3,115,000.00 | 5.000% | 1,527,125.00 | 4,642,125.00 | -              | 4,642,125.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 6,169,250.00 |
| 11/01/2018 | -            | -      | 1,449,250.00 | 1,449,250.00 | -              | 1,449,250.00 | -            |
| 05/01/2019 | 3,275,000.00 | 5.000% | 1,449,250.00 | 4,724,250.00 | -              | 4,724,250.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 6,173,500.00 |
| 11/01/2019 | -            | -      | 1,367,375.00 | 1,367,375.00 | -              | 1,367,375.00 | -            |
| 05/01/2020 | 3,435,000.00 | 5.000% | 1,367,375.00 | 4,802,375.00 | -              | 4,802,375.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 6,169,750.00 |
| 11/01/2020 | -            | -      | 1,281,500.00 | 1,281,500.00 | -              | 1,281,500.00 | -            |
| 05/01/2021 | 3,610,000.00 | 5.000% | 1,281,500.00 | 4,891,500.00 | -              | 4,891,500.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 6,173,000.00 |
| 11/01/2021 | -            | -      | 1,191,250.00 | 1,191,250.00 | -              | 1,191,250.00 | -            |
| 05/01/2022 | 3,790,000.00 | 5.000% | 1,191,250.00 | 4,981,250.00 | -              | 4,981,250.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 6,172,500.00 |
| 11/01/2022 | -            | -      | 1,096,500.00 | 1,096,500.00 | -              | 1,096,500.00 | -            |
| 05/01/2023 | 3,980,000.00 | 5.000% | 1,096,500.00 | 5,076,500.00 | -              | 5,076,500.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 6,173,000.00 |
| 11/01/2023 | -            | -      | 997,000.00   | 997,000.00   | -              | 997,000.00   | -            |
| 05/01/2024 | 4,175,000.00 | 5.000% | 997,000.00   | 5,172,000.00 | -              | 5,172,000.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 6,169,000.00 |
| 11/01/2024 | -            | -      | 892,625.00   | 892,625.00   | -              | 892,625.00   | -            |
| 05/01/2025 | 4,385,000.00 | 5.000% | 892,625.00   | 5,277,625.00 | -              | 5,277,625.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 6,170,250.00 |
| 11/01/2025 | -            | -      | 783,000.00   | 783,000.00   | -              | 783,000.00   | -            |
| 05/01/2026 | 4,605,000.00 | 5.000% | 783,000.00   | 5,388,000.00 | -              | 5,388,000.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | -              | -            | 6,171,000.00 |
| 11/01/2026 | -            | -      | 667,875.00   | 667,875.00   | -              | 667,875.00   | -            |
| 05/01/2027 | 4,835,000.00 | 5.000% | 667,875.00   | 5,502,875.00 | -              | 5,502,875.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | -              | -            | 6,170,750.00 |
| 11/01/2027 | -            | -      | 547,000.00   | 547,000.00   | -              | 547,000.00   | -            |
| 05/01/2028 | 5,075,000.00 | 5.000% | 547,000.00   | 5,622,000.00 | -              | 5,622,000.00 | -            |
| 06/30/2028 | -            | -      | -            | -            | -              | -            | 6,169,000.00 |
| 11/01/2028 | -            | -      | 420,125.00   | 420,125.00   | -              | 420,125.00   | -            |
| 05/01/2029 | 5,330,000.00 | 5.000% | 420,125.00   | 5,750,125.00 | -              | 5,750,125.00 | -            |
| 06/30/2029 | -            | -      | -            | -            | -              | -            | 6,170,250.00 |
| 11/01/2029 | -            | -      | 286,875.00   | 286,875.00   | -              | 286,875.00   | -            |
| 05/01/2030 | 5,600,000.00 | 5.000% | 286,875.00   | 5,886,875.00 | -              | 5,886,875.00 | -            |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon | Interest               | Total P+I              | CIF                   | Net New D/S            | Fiscal Total |
|--------------|------------------------|--------|------------------------|------------------------|-----------------------|------------------------|--------------|
| 06/30/2030   | -                      | -      | -                      | -                      | -                     | -                      | 6,173,750.00 |
| 11/01/2030   | -                      | -      | 146,875.00             | 146,875.00             | -                     | 146,875.00             | -            |
| 05/01/2031   | 5,875,000.00           | 5.000% | 146,875.00             | 6,021,875.00           | -                     | 6,021,875.00           | -            |
| 06/30/2031   | -                      | -      | -                      | -                      | -                     | -                      | 6,168,750.00 |
| <b>Total</b> | <b>\$64,055,000.00</b> | -      | <b>\$32,514,937.50</b> | <b>\$96,569,937.50</b> | <b>(5,604,812.50)</b> | <b>\$90,965,125.00</b> | -            |

**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

### Operation Of Project Construction Fund

| Date         | Principal              | Rate     | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 02/01/2015   | 61,038,690.00          | -        | 61,038,690.00          | 61,038,690.00          | -            |
| <b>Total</b> | <b>\$61,038,690.00</b> | <b>-</b> | <b>\$61,038,690.00</b> | <b>\$61,038,690.00</b> | <b>-</b>     |

#### Investment Parameters

Investment Model [PV, GIC, or Securities] GIC  
Default investment yield target User Defined

Cost of Investments Purchased with Bond Proceeds 61,038,690.00  
Total Cost of Investments \$61,038,690.00

Target Cost of Investments at bond yield \$61,038,690.00

Yield to Receipt -  
Yield for Arbitrage Purposes 4.1441735%



**\$64,055,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2015   | -                     | -          | -                   | 0.02                  | -                     | 0.02         |
| 05/01/2015   | (53,234.46)           | 4.0000000% | 53,234.46           | -                     | -                     | 0.02         |
| 11/01/2015   | 2,293,999.17          | 4.0000000% | 108,063.33          | 2,402,062.50          | 2,402,062.50          | 0.02         |
| 05/01/2016   | 1,539,191.65          | 4.0000000% | 62,183.34           | 1,601,374.99          | 1,601,375.00          | 0.01         |
| 11/01/2016   | 1,569,975.48          | 4.0000000% | 31,399.51           | 1,601,374.99          | 1,601,375.00          | -            |
| <b>Total</b> | <b>\$5,349,931.84</b> | <b>-</b>   | <b>\$254,880.64</b> | <b>\$5,604,812.50</b> | <b>\$5,604,812.50</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model (PV, GIC, or Securities)        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.02           |
| Cost of Investments Purchased with Bond Proceeds | 5,349,931.84   |
| Total Cost of Investments                        | \$5,349,931.86 |
| Target Cost of Investments at bond yield         | \$5,341,082.78 |
| Actual positive or (negative) arbitrage          | (8,849.08)     |
| Yield to Receipt                                 | 4.0000000%     |
| Yield for Arbitrage Purposes                     | 4.1441735%     |
| <b>Composition Of Initial Deposit</b>            |                |
| Original Bond Proceeds                           | 5,349,931.86   |
| Accrued Interest                                 | -              |
| Cash Contribution and Prior Issue Transfers      | -              |

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price      | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|------------|------------------------|
| 05/01/2017   | Serial Coupon | 5.000% | 3.430% | 2,040,000.00           | 103.366%   | 2,108,666.40           |
| 05/01/2018   | Serial Coupon | 5.000% | 3.490% | 2,140,000.00           | 104.596%   | 2,238,354.40           |
| 05/01/2019   | Serial Coupon | 5.000% | 3.530% | 2,250,000.00           | 105.749%   | 2,379,352.50           |
| 05/01/2020   | Serial Coupon | 5.000% | 3.570% | 2,360,000.00           | 106.785%   | 2,520,126.00           |
| 05/01/2021   | Serial Coupon | 5.000% | 3.630% | 2,480,000.00           | 107.593%   | 2,668,306.40           |
| 05/01/2022   | Serial Coupon | 5.000% | 3.700% | 2,605,000.00           | 108.195%   | 2,818,479.75           |
| 05/01/2023   | Serial Coupon | 5.000% | 3.770% | 2,735,000.00           | 108.645%   | 2,971,440.75           |
| 05/01/2024   | Serial Coupon | 5.000% | 3.840% | 2,870,000.00           | 108.130% c | 3,103,331.00           |
| 05/01/2025   | Serial Coupon | 5.000% | 3.910% | 3,015,000.00           | 107.617% c | 3,244,652.55           |
| 05/01/2026   | Serial Coupon | 5.000% | 3.970% | 3,165,000.00           | 107.179% c | 3,392,215.35           |
| 05/01/2027   | Serial Coupon | 5.000% | 4.000% | 3,325,000.00           | 106.962% c | 3,556,486.50           |
| 05/01/2028   | Serial Coupon | 5.000% | 4.050% | 3,490,000.00           | 106.600% c | 3,720,340.00           |
| 05/01/2029   | Serial Coupon | 5.000% | 4.120% | 3,665,000.00           | 106.095% c | 3,888,381.75           |
| 05/01/2030   | Serial Coupon | 5.000% | 4.160% | 3,845,000.00           | 105.808% c | 4,068,317.60           |
| 05/01/2031   | Serial Coupon | 5.000% | 4.190% | 4,040,000.00           | 105.594% c | 4,265,997.00           |
| 05/01/2032   | Serial Coupon | 5.000% | 4.220% | 4,240,000.00           | 105.380% c | 4,468,112.00           |
| 05/01/2033   | Serial Coupon | 5.000% | 4.250% | 4,455,000.00           | 105.166% c | 4,685,145.30           |
| 05/01/2034   | Serial Coupon | 5.000% | 4.280% | 4,675,000.00           | 104.953% c | 4,906,552.75           |
| 05/01/2035   | Serial Coupon | 5.000% | 4.310% | 4,910,000.00           | 104.741% c | 5,142,783.10           |
| 05/01/2036   | Serial Coupon | 5.000% | 4.340% | 5,155,000.00           | 104.529% c | 5,388,469.95           |
| <b>Total</b> |               |        |        | <b>\$67,460,000.00</b> |            | <b>\$71,535,511.65</b> |

### Bid Information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$67,460,000.00 |
| Reoffering Premium or (Discount)      | 4,075,511.65    |
| Gross Production                      | \$71,535,511.65 |
| Total Underwriter's Discount (0.412%) | \$(278,137.58)  |
| Bid (105.629%)                        | 71,257,374.07   |
| Total Purchase Price                  | \$71,257,374.07 |
| Bond Year Dollars                     | \$900,400.00    |
| Average Life                          | 13.347 Years    |
| Average Coupon                        | 5.0000000%      |
| Net Interest Cost (NIC)               | 4.5782570%      |
| True Interest Cost (TIC)              | 4.4121456%      |

Phase IV (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:37 PM

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I               |
|--------------|------------------------|----------|------------------------|-------------------------|
| 05/01/2015   | -                      | -        | -                      | -                       |
| 05/01/2016   | -                      | -        | 4,216,250.00           | 4,216,250.00            |
| 05/01/2017   | 2,040,000.00           | 5.000%   | 3,373,000.00           | 5,413,000.00            |
| 05/01/2018   | 2,140,000.00           | 5.000%   | 3,271,000.00           | 5,411,000.00            |
| 05/01/2019   | 2,250,000.00           | 5.000%   | 3,164,000.00           | 5,414,000.00            |
| 05/01/2020   | 2,360,000.00           | 5.000%   | 3,051,500.00           | 5,411,500.00            |
| 05/01/2021   | 2,480,000.00           | 5.000%   | 2,933,500.00           | 5,413,500.00            |
| 05/01/2022   | 2,605,000.00           | 5.000%   | 2,809,500.00           | 5,414,500.00            |
| 05/01/2023   | 2,735,000.00           | 5.000%   | 2,679,250.00           | 5,414,250.00            |
| 05/01/2024   | 2,870,000.00           | 5.000%   | 2,542,500.00           | 5,412,500.00            |
| 05/01/2025   | 3,015,000.00           | 5.000%   | 2,399,000.00           | 5,414,000.00            |
| 05/01/2026   | 3,165,000.00           | 5.000%   | 2,248,250.00           | 5,413,250.00            |
| 05/01/2027   | 3,325,000.00           | 5.000%   | 2,090,000.00           | 5,415,000.00            |
| 05/01/2028   | 3,490,000.00           | 5.000%   | 1,923,750.00           | 5,413,750.00            |
| 05/01/2029   | 3,665,000.00           | 5.000%   | 1,749,250.00           | 5,414,250.00            |
| 05/01/2030   | 3,845,000.00           | 5.000%   | 1,566,000.00           | 5,411,000.00            |
| 05/01/2031   | 4,040,000.00           | 5.000%   | 1,373,750.00           | 5,413,750.00            |
| 05/01/2032   | 4,240,000.00           | 5.000%   | 1,171,750.00           | 5,411,750.00            |
| 05/01/2033   | 4,455,000.00           | 5.000%   | 959,750.00             | 5,414,750.00            |
| 05/01/2034   | 4,675,000.00           | 5.000%   | 737,000.00             | 5,412,000.00            |
| 05/01/2035   | 4,910,000.00           | 5.000%   | 503,250.00             | 5,413,250.00            |
| 05/01/2036   | 5,155,000.00           | 5.000%   | 257,750.00             | 5,412,750.00            |
| <b>Total</b> | <b>\$67,460,000.00</b> | <b>-</b> | <b>\$45,020,000.00</b> | <b>\$112,480,000.00</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$900,400.00 |
| Average Life                      | 13.347 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.5782570%   |
| True Interest Cost (TIC)          | 4.4121456%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.6797984%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.2989734%   |
| Weighted Average Maturity         | 13.314 Years |

Phase IV (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:37 PM

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 02/01/2015 | -            | -      | -            | -            | -            |
| 11/01/2015 | -            | -      | 2,529,750.00 | 2,529,750.00 | -            |
| 05/01/2016 | -            | -      | 1,686,500.00 | 1,686,500.00 | -            |
| 06/30/2016 | -            | -      | -            | -            | 4,216,250.00 |
| 11/01/2016 | -            | -      | 1,686,500.00 | 1,686,500.00 | -            |
| 05/01/2017 | 2,040,000.00 | 5.000% | 1,686,500.00 | 3,726,500.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | 5,413,000.00 |
| 11/01/2017 | -            | -      | 1,635,500.00 | 1,635,500.00 | -            |
| 05/01/2018 | 2,140,000.00 | 5.000% | 1,635,500.00 | 3,775,500.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | 5,411,000.00 |
| 11/01/2018 | -            | -      | 1,582,000.00 | 1,582,000.00 | -            |
| 05/01/2019 | 2,250,000.00 | 5.000% | 1,582,000.00 | 3,832,000.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | 5,414,000.00 |
| 11/01/2019 | -            | -      | 1,525,750.00 | 1,525,750.00 | -            |
| 05/01/2020 | 2,360,000.00 | 5.000% | 1,525,750.00 | 3,885,750.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | 5,411,500.00 |
| 11/01/2020 | -            | -      | 1,466,750.00 | 1,466,750.00 | -            |
| 05/01/2021 | 2,480,000.00 | 5.000% | 1,466,750.00 | 3,946,750.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | 5,413,500.00 |
| 11/01/2021 | -            | -      | 1,404,750.00 | 1,404,750.00 | -            |
| 05/01/2022 | 2,605,000.00 | 5.000% | 1,404,750.00 | 4,009,750.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | 5,414,500.00 |
| 11/01/2022 | -            | -      | 1,339,625.00 | 1,339,625.00 | -            |
| 05/01/2023 | 2,735,000.00 | 5.000% | 1,339,625.00 | 4,074,625.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | 5,414,250.00 |
| 11/01/2023 | -            | -      | 1,271,250.00 | 1,271,250.00 | -            |
| 05/01/2024 | 2,870,000.00 | 5.000% | 1,271,250.00 | 4,141,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | 5,412,500.00 |
| 11/01/2024 | -            | -      | 1,199,500.00 | 1,199,500.00 | -            |
| 05/01/2025 | 3,015,000.00 | 5.000% | 1,199,500.00 | 4,214,500.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | 5,414,000.00 |
| 11/01/2025 | -            | -      | 1,124,125.00 | 1,124,125.00 | -            |
| 05/01/2026 | 3,165,000.00 | 5.000% | 1,124,125.00 | 4,289,125.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | 5,413,250.00 |
| 11/01/2026 | -            | -      | 1,045,000.00 | 1,045,000.00 | -            |
| 05/01/2027 | 3,325,000.00 | 5.000% | 1,045,000.00 | 4,370,000.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | 5,415,000.00 |
| 11/01/2027 | -            | -      | 961,875.00   | 961,875.00   | -            |
| 05/01/2028 | 3,490,000.00 | 5.000% | 961,875.00   | 4,451,875.00 | -            |
| 06/30/2028 | -            | -      | -            | -            | 5,413,750.00 |
| 11/01/2028 | -            | -      | 874,625.00   | 874,625.00   | -            |
| 05/01/2029 | 3,665,000.00 | 5.000% | 874,625.00   | 4,539,625.00 | -            |
| 06/30/2029 | -            | -      | -            | -            | 5,414,250.00 |
| 11/01/2029 | -            | -      | 783,000.00   | 783,000.00   | -            |

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

## Debt Service Schedule

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I               | Fiscal Total |
|--------------|------------------------|----------|------------------------|-------------------------|--------------|
| 05/01/2030   | 3,845,000.00           | 5.000%   | 783,000.00             | 4,628,000.00            | -            |
| 06/30/2030   | -                      | -        | -                      | -                       | 5,411,000.00 |
| 11/01/2030   | -                      | -        | 686,875.00             | 686,875.00              | -            |
| 05/01/2031   | 4,040,000.00           | 5.000%   | 686,875.00             | 4,726,875.00            | -            |
| 06/30/2031   | -                      | -        | -                      | -                       | 5,413,750.00 |
| 11/01/2031   | -                      | -        | 585,875.00             | 585,875.00              | -            |
| 05/01/2032   | 4,240,000.00           | 5.000%   | 585,875.00             | 4,825,875.00            | -            |
| 06/30/2032   | -                      | -        | -                      | -                       | 5,411,750.00 |
| 11/01/2032   | -                      | -        | 479,875.00             | 479,875.00              | -            |
| 05/01/2033   | 4,455,000.00           | 5.000%   | 479,875.00             | 4,934,875.00            | -            |
| 06/30/2033   | -                      | -        | -                      | -                       | 5,414,750.00 |
| 11/01/2033   | -                      | -        | 368,500.00             | 368,500.00              | -            |
| 05/01/2034   | 4,675,000.00           | 5.000%   | 368,500.00             | 5,043,500.00            | -            |
| 06/30/2034   | -                      | -        | -                      | -                       | 5,412,000.00 |
| 11/01/2034   | -                      | -        | 251,625.00             | 251,625.00              | -            |
| 05/01/2035   | 4,910,000.00           | 5.000%   | 251,625.00             | 5,161,625.00            | -            |
| 06/30/2035   | -                      | -        | -                      | -                       | 5,413,250.00 |
| 11/01/2035   | -                      | -        | 128,875.00             | 128,875.00              | -            |
| 05/01/2036   | 5,155,000.00           | 5.000%   | 128,875.00             | 5,283,875.00            | -            |
| 06/30/2036   | -                      | -        | -                      | -                       | 5,412,750.00 |
| <b>Total</b> | <b>\$67,460,000.00</b> | <b>-</b> | <b>\$45,020,000.00</b> | <b>\$112,480,000.00</b> | <b>-</b>     |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$900,400.00 |
| Average Life                      | 13.347 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.5782570%   |
| True Interest Cost (TIC)          | 4.4121456%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.6797984%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.2989734%   |
| Weighted Average Maturity | 13.314 Years |

Phase IV (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:37 PM

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest     | Total P+I    | CIF            | Net New D/S  | Fiscal Total |
|------------|--------------|--------|--------------|--------------|----------------|--------------|--------------|
| 02/01/2015 | -            | -      | -            | -            | -              | -            | -            |
| 11/01/2015 | -            | -      | 2,529,750.00 | 2,529,750.00 | (2,529,750.00) | -            | -            |
| 05/01/2016 | -            | -      | 1,686,500.00 | 1,686,500.00 | (1,686,500.00) | -            | -            |
| 11/01/2016 | -            | -      | 1,686,500.00 | 1,686,500.00 | -              | 1,686,500.00 | -            |
| 05/01/2017 | 2,040,000.00 | 5.000% | 1,686,500.00 | 3,726,500.00 | -              | 3,726,500.00 | -            |
| 06/30/2017 | -            | -      | -            | -            | -              | -            | 5,413,000.00 |
| 11/01/2017 | -            | -      | 1,635,500.00 | 1,635,500.00 | -              | 1,635,500.00 | -            |
| 05/01/2018 | 2,140,000.00 | 5.000% | 1,635,500.00 | 3,775,500.00 | -              | 3,775,500.00 | -            |
| 06/30/2018 | -            | -      | -            | -            | -              | -            | 5,411,000.00 |
| 11/01/2018 | -            | -      | 1,582,000.00 | 1,582,000.00 | -              | 1,582,000.00 | -            |
| 05/01/2019 | 2,250,000.00 | 5.000% | 1,582,000.00 | 3,832,000.00 | -              | 3,832,000.00 | -            |
| 06/30/2019 | -            | -      | -            | -            | -              | -            | 5,414,000.00 |
| 11/01/2019 | -            | -      | 1,525,750.00 | 1,525,750.00 | -              | 1,525,750.00 | -            |
| 05/01/2020 | 2,360,000.00 | 5.000% | 1,525,750.00 | 3,885,750.00 | -              | 3,885,750.00 | -            |
| 06/30/2020 | -            | -      | -            | -            | -              | -            | 5,411,500.00 |
| 11/01/2020 | -            | -      | 1,466,750.00 | 1,466,750.00 | -              | 1,466,750.00 | -            |
| 05/01/2021 | 2,480,000.00 | 5.000% | 1,466,750.00 | 3,946,750.00 | -              | 3,946,750.00 | -            |
| 06/30/2021 | -            | -      | -            | -            | -              | -            | 5,413,500.00 |
| 11/01/2021 | -            | -      | 1,404,750.00 | 1,404,750.00 | -              | 1,404,750.00 | -            |
| 05/01/2022 | 2,605,000.00 | 5.000% | 1,404,750.00 | 4,009,750.00 | -              | 4,009,750.00 | -            |
| 06/30/2022 | -            | -      | -            | -            | -              | -            | 5,414,500.00 |
| 11/01/2022 | -            | -      | 1,339,625.00 | 1,339,625.00 | -              | 1,339,625.00 | -            |
| 05/01/2023 | 2,735,000.00 | 5.000% | 1,339,625.00 | 4,074,625.00 | -              | 4,074,625.00 | -            |
| 06/30/2023 | -            | -      | -            | -            | -              | -            | 5,414,250.00 |
| 11/01/2023 | -            | -      | 1,271,250.00 | 1,271,250.00 | -              | 1,271,250.00 | -            |
| 05/01/2024 | 2,870,000.00 | 5.000% | 1,271,250.00 | 4,141,250.00 | -              | 4,141,250.00 | -            |
| 06/30/2024 | -            | -      | -            | -            | -              | -            | 5,412,500.00 |
| 11/01/2024 | -            | -      | 1,199,500.00 | 1,199,500.00 | -              | 1,199,500.00 | -            |
| 05/01/2025 | 3,015,000.00 | 5.000% | 1,199,500.00 | 4,214,500.00 | -              | 4,214,500.00 | -            |
| 06/30/2025 | -            | -      | -            | -            | -              | -            | 5,414,000.00 |
| 11/01/2025 | -            | -      | 1,124,125.00 | 1,124,125.00 | -              | 1,124,125.00 | -            |
| 05/01/2026 | 3,165,000.00 | 5.000% | 1,124,125.00 | 4,289,125.00 | -              | 4,289,125.00 | -            |
| 06/30/2026 | -            | -      | -            | -            | -              | -            | 5,413,250.00 |
| 11/01/2026 | -            | -      | 1,045,000.00 | 1,045,000.00 | -              | 1,045,000.00 | -            |
| 05/01/2027 | 3,325,000.00 | 5.000% | 1,045,000.00 | 4,370,000.00 | -              | 4,370,000.00 | -            |
| 06/30/2027 | -            | -      | -            | -            | -              | -            | 5,415,000.00 |
| 11/01/2027 | -            | -      | 961,875.00   | 961,875.00   | -              | 961,875.00   | -            |
| 05/01/2028 | 3,490,000.00 | 5.000% | 961,875.00   | 4,451,875.00 | -              | 4,451,875.00 | -            |
| 06/30/2028 | -            | -      | -            | -            | -              | -            | 5,413,750.00 |
| 11/01/2028 | -            | -      | 874,625.00   | 874,625.00   | -              | 874,625.00   | -            |
| 05/01/2029 | 3,665,000.00 | 5.000% | 874,625.00   | 4,539,625.00 | -              | 4,539,625.00 | -            |
| 06/30/2029 | -            | -      | -            | -            | -              | -            | 5,414,250.00 |
| 11/01/2029 | -            | -      | 783,000.00   | 783,000.00   | -              | 783,000.00   | -            |
| 05/01/2030 | 3,845,000.00 | 5.000% | 783,000.00   | 4,628,000.00 | -              | 4,628,000.00 | -            |

Phase IV (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:37 PM

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I               | CIF                   | Net New D/S             | Fiscal Total |
|--------------|------------------------|----------|------------------------|-------------------------|-----------------------|-------------------------|--------------|
| 06/30/2030   | -                      | -        | -                      | -                       | -                     | -                       | 5,411,000.00 |
| 11/01/2030   | -                      | -        | 686,875.00             | 686,875.00              | -                     | 686,875.00              | -            |
| 05/01/2031   | 4,040,000.00           | 5.000%   | 686,875.00             | 4,726,875.00            | -                     | 4,726,875.00            | -            |
| 06/30/2031   | -                      | -        | -                      | -                       | -                     | -                       | 5,413,750.00 |
| 11/01/2031   | -                      | -        | 585,875.00             | 585,875.00              | -                     | 585,875.00              | -            |
| 05/01/2032   | 4,240,000.00           | 5.000%   | 585,875.00             | 4,825,875.00            | -                     | 4,825,875.00            | -            |
| 06/30/2032   | -                      | -        | -                      | -                       | -                     | -                       | 5,411,750.00 |
| 11/01/2032   | -                      | -        | 479,875.00             | 479,875.00              | -                     | 479,875.00              | -            |
| 05/01/2033   | 4,455,000.00           | 5.000%   | 479,875.00             | 4,934,875.00            | -                     | 4,934,875.00            | -            |
| 06/30/2033   | -                      | -        | -                      | -                       | -                     | -                       | 5,414,750.00 |
| 11/01/2033   | -                      | -        | 368,500.00             | 368,500.00              | -                     | 368,500.00              | -            |
| 05/01/2034   | 4,675,000.00           | 5.000%   | 368,500.00             | 5,043,500.00            | -                     | 5,043,500.00            | -            |
| 06/30/2034   | -                      | -        | -                      | -                       | -                     | -                       | 5,412,000.00 |
| 11/01/2034   | -                      | -        | 251,625.00             | 251,625.00              | -                     | 251,625.00              | -            |
| 05/01/2035   | 4,910,000.00           | 5.000%   | 251,625.00             | 5,161,625.00            | -                     | 5,161,625.00            | -            |
| 06/30/2035   | -                      | -        | -                      | -                       | -                     | -                       | 5,413,250.00 |
| 11/01/2035   | -                      | -        | 128,875.00             | 128,875.00              | -                     | 128,875.00              | -            |
| 05/01/2036   | 5,155,000.00           | 5.000%   | 128,875.00             | 5,283,875.00            | -                     | 5,283,875.00            | -            |
| 06/30/2036   | -                      | -        | -                      | -                       | -                     | -                       | 5,412,750.00 |
| <b>Total</b> | <b>\$67,460,000.00</b> | <b>-</b> | <b>\$45,020,000.00</b> | <b>\$112,480,000.00</b> | <b>(4,216,250.00)</b> | <b>\$108,263,750.00</b> | <b>-</b>     |

Phase IV (15/20 yr) IDA | Aidable - Addition | 11/14/2007 | 5:37 PM

**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

### Operation Of Project Construction Fund

| Date         | Principal            | Rate     | Receipts             | Disbursements        | Cash Balance |
|--------------|----------------------|----------|----------------------|----------------------|--------------|
| 02/01/2015   | 65,422,694.00        | -        | 65,422,694.00        | 65,422,694.00        | -            |
| <b>Total</b> | <b>65,422,694.00</b> | <b>-</b> | <b>65,422,694.00</b> | <b>65,422,694.00</b> | <b>-</b>     |

#### Investment Parameters

|   |              |
|---|--------------|
| Investment Model [PV, GIC, or Securities] | GIC          |
| Default investment yield target           | User Defined |

|  |                      |
|--|----------------------|
| Cost of Investments Purchased with Bond Proceeds | 65,422,694.00        |
| <b>Total Cost of Investments</b>                 | <b>65,422,694.00</b> |

|  |               |
|--|---------------|
| Target Cost of Investments at bond yield | 65,422,694.00 |
|--|---------------|

|                              |            |
|------------------------------|------------|
| Yield to Receipt             | -          |
| Yield for Arbitrage Purposes | 4.1441735% |



**\$67,460,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate      | Interest            | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|-----------|---------------------|-----------------------|-----------------------|--------------|
| 02/01/2015   | -                     | -         | -                   | 0.02                  | -                     | 0.02         |
| 05/01/2015   | (40,406.48)           | 4.000000% | 40,406.48           | -                     | -                     | 0.02         |
| 11/01/2015   | 2,447,726.82          | 4.000000% | 82,023.16           | 2,529,749.98          | 2,529,750.00          | -            |
| 05/01/2016   | 1,653,431.37          | 4.000000% | 33,068.63           | 1,686,500.00          | 1,686,500.00          | -            |
| <b>Total</b> | <b>\$4,060,751.71</b> | <b>-</b>  | <b>\$155,498.27</b> | <b>\$4,216,250.00</b> | <b>\$4,216,250.00</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.02           |
| Cost of Investments Purchased with Bond Proceeds | 4,060,751.71   |
| Total Cost of Investments                        | \$4,060,751.73 |
| Target Cost of Investments at bond yield         | \$4,055,318.39 |
| Actual positive or (negative) arbitrage          | (5,433.34)     |
| Yield to Receipt                                 | 3.9999998%     |
| Yield for Arbitrage Purposes                     | 4.1441735%     |

#### Composition Of Initial Deposit

|   |              |
|---|--------------|
| Original Bond Proceeds                      | 4,060,751.73 |
| Accrued Interest                            | -            |
| Cash Contribution and Prior Issue Transfers | -            |

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

### Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    |   | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|---|-----------------------|
| 05/01/2025   | Serial Coupon | 5.000% | 3.910% | 1,130,000.00          | 107.617% | c | 1,216,072.10          |
| 05/01/2026   | Serial Coupon | 5.000% | 3.970% | 3,245,000.00          | 107.179% | c | 3,477,958.55          |
| 05/01/2028   | Serial Coupon | 5.000% | 4.050% | 60,000.00             | 106.600% | c | 63,960.00             |
| <b>Total</b> | -             | -      | -      | <b>\$4,435,000.00</b> | -        | - | <b>\$4,757,990.65</b> |

#### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$4,435,000.00 |
| Reoffering Premium or (Discount)      | 322,990.65     |
| Gross Production                      | \$4,757,990.65 |
| Total Underwriter's Discount (0.412%) | \$(18,285.51)  |
| Bid (106.870%)                        | 4,739,705.14   |
| Total Purchase Price                  | \$4,739,705.14 |
| Bond Year Dollars                     | \$48,883.75    |
| Average Life                          | 11.022 Years   |
| Average Coupon                        | 5.000000%      |
| Net Interest Cost (NIC)               | 4.3766740%     |
| True Interest Cost (TIC)              | 4.2119221%     |

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I             |
|--------------|-----------------------|----------|-----------------------|-----------------------|
| 05/01/2015   | -                     | -        | -                     | -                     |
| 05/01/2016   | -                     | -        | 277,187.50            | 277,187.50            |
| 05/01/2017   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2018   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2019   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2020   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2021   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2022   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2023   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2024   | -                     | -        | 221,750.00            | 221,750.00            |
| 05/01/2025   | 1,130,000.00          | 5.000%   | 221,750.00            | 1,351,750.00          |
| 05/01/2026   | 3,245,000.00          | 5.000%   | 165,250.00            | 3,410,250.00          |
| 05/01/2027   | -                     | -        | 3,000.00              | 3,000.00              |
| 05/01/2028   | 60,000.00             | 5.000%   | 3,000.00              | 63,000.00             |
| <b>Total</b> | <b>\$4,435,000.00</b> | <b>-</b> | <b>\$2,444,187.50</b> | <b>\$6,879,187.50</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$48,883.75  |
| Average Life                      | 11.022 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.3766740%   |
| True Interest Cost (TIC)          | 4.2119221%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.5003304%   |

#### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.0450562%   |
| Weighted Average Maturity | 11.021 Years |

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

### Debt Service Schedule

Part 1 of 2

| Date         | Principal             | Coupon   | Interest              | Total P+I             | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|-----------------------|--------------|
| 02/01/2015   | -                     | -        | -                     | -                     | -            |
| 11/01/2015   | -                     | -        | 166,312.50            | 166,312.50            | -            |
| 05/01/2016   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2016   | -                     | -        | -                     | -                     | 277,187.50   |
| 11/01/2016   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2017   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2017   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2017   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2018   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2018   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2018   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2019   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2019   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2019   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2020   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2020   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2020   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2021   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2021   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2021   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2022   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2022   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2022   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2023   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2023   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2023   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2024   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 06/30/2024   | -                     | -        | -                     | -                     | 221,750.00   |
| 11/01/2024   | -                     | -        | 110,875.00            | 110,875.00            | -            |
| 05/01/2025   | 1,130,000.00          | 5.000%   | 110,875.00            | 1,240,875.00          | -            |
| 06/30/2025   | -                     | -        | -                     | -                     | 1,351,750.00 |
| 11/01/2025   | -                     | -        | 82,625.00             | 82,625.00             | -            |
| 05/01/2026   | 3,245,000.00          | 5.000%   | 82,625.00             | 3,327,625.00          | -            |
| 06/30/2026   | -                     | -        | -                     | -                     | 3,410,250.00 |
| 11/01/2026   | -                     | -        | 1,500.00              | 1,500.00              | -            |
| 05/01/2027   | -                     | -        | 1,500.00              | 1,500.00              | -            |
| 06/30/2027   | -                     | -        | -                     | -                     | 3,000.00     |
| 11/01/2027   | -                     | -        | 1,500.00              | 1,500.00              | -            |
| 05/01/2028   | 60,000.00             | 5.000%   | 1,500.00              | 61,500.00             | -            |
| 06/30/2028   | -                     | -        | -                     | -                     | 63,000.00    |
| <b>Total</b> | <b>\$4,435,000.00</b> | <b>-</b> | <b>\$2,444,187.50</b> | <b>\$6,879,187.50</b> | <b>-</b>     |

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$48,883.75  |
| Average Life                      | 11.022 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.3766740%   |
| True Interest Cost (TIC)          | 4.2119221%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.5003304%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.0450562%   |
| Weighted Average Maturity | 11.021 Years |

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

### Net Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I             | CIF                 | Net New D/S           | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|-----------------------|---------------------|-----------------------|--------------|
| 02/01/2015   | -                     | -        | -                     | -                     | -                   | -                     | -            |
| 11/01/2015   | -                     | -        | 166,312.50            | 166,312.50            | (166,312.50)        | -                     | -            |
| 05/01/2016   | -                     | -        | 110,875.00            | 110,875.00            | (110,875.00)        | -                     | -            |
| 11/01/2016   | -                     | -        | 110,875.00            | 110,875.00            | (110,875.00)        | -                     | -            |
| 05/01/2017   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2017   | -                     | -        | -                     | -                     | -                   | -                     | 110,875.00   |
| 11/01/2017   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2018   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2018   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2018   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2019   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2019   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2019   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2020   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2020   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2020   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2021   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2021   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2021   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2022   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2022   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2022   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2023   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2023   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2023   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2024   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 06/30/2024   | -                     | -        | -                     | -                     | -                   | -                     | 221,750.00   |
| 11/01/2024   | -                     | -        | 110,875.00            | 110,875.00            | -                   | 110,875.00            | -            |
| 05/01/2025   | 1,130,000.00          | 5.000%   | 110,875.00            | 1,240,875.00          | -                   | 1,240,875.00          | -            |
| 06/30/2025   | -                     | -        | -                     | -                     | -                   | -                     | 1,351,750.00 |
| 11/01/2025   | -                     | -        | 82,625.00             | 82,625.00             | -                   | 82,625.00             | -            |
| 05/01/2026   | 3,245,000.00          | 5.000%   | 82,625.00             | 3,327,625.00          | -                   | 3,327,625.00          | -            |
| 06/30/2026   | -                     | -        | -                     | -                     | -                   | -                     | 3,410,250.00 |
| 11/01/2026   | -                     | -        | 1,500.00              | 1,500.00              | -                   | 1,500.00              | -            |
| 05/01/2027   | -                     | -        | 1,500.00              | 1,500.00              | -                   | 1,500.00              | -            |
| 06/30/2027   | -                     | -        | -                     | -                     | -                   | -                     | 3,000.00     |
| 11/01/2027   | -                     | -        | 1,500.00              | 1,500.00              | -                   | 1,500.00              | -            |
| 05/01/2028   | 60,000.00             | 5.000%   | 1,500.00              | 61,500.00             | -                   | 61,500.00             | -            |
| 06/30/2028   | -                     | -        | -                     | -                     | -                   | -                     | 63,000.00    |
| <b>Total</b> | <b>\$4,435,000.00</b> | <b>-</b> | <b>\$2,444,187.50</b> | <b>\$6,879,187.50</b> | <b>(388,062.50)</b> | <b>\$6,491,125.00</b> | <b>-</b>     |

Phase IV (15/20 yr) IDA | Non-Aidable - Reconstruct | 11/14/2007 | 5:37 PM

**\$4,435,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Reconstruction

### Operation Of Capitalized Interest Fund

| Date         | Principal           | Rate       | Interest           | Receipts            | Disbursements       | Cash Balance |
|--------------|---------------------|------------|--------------------|---------------------|---------------------|--------------|
| 02/01/2015   | -                   | -          | -                  | 0.02                | -                   | 0.02         |
| 11/01/2015   | 158,830.48          | 4.0000000% | 7,482.02           | 166,312.50          | 166,312.50          | 0.02         |
| 05/01/2016   | 106,569.58          | 4.0000000% | 4,305.41           | 110,874.99          | 110,875.00          | 0.01         |
| 11/01/2016   | 108,700.97          | 4.0000000% | 2,174.02           | 110,874.99          | 110,875.00          | -            |
| <b>Total</b> | <b>\$374,101.03</b> | <b>-</b>   | <b>\$13,961.45</b> | <b>\$388,062.50</b> | <b>\$388,062.50</b> | <b>-</b>     |

#### Investment Parameters

|  |              |
|--|--------------|
| Investment Model [PV, GIC, or Securities]        | GIC          |
| Default investment yield target                  | User Defined |
| Cash Deposit                                     | 0.02         |
| Cost of Investments Purchased with Bond Proceeds | 374,101.03   |
| Total Cost of Investments                        | \$374,101.05 |
| Target Cost of Investments at bond yield         | \$369,802.55 |
| Actual positive or (negative) arbitrage          | (4,298.50)   |
| Yield to Receipt                                 | 3.1404254%   |
| Yield for Arbitrage Purposes                     | 4.1441735%   |

#### Composition of Initial Deposit

|   |            |
|---|------------|
| Original Bond Proceeds                      | 374,101.05 |
| Accrued Interest                            | -          |
| Cash Contribution and Prior Issue Transfers | -          |

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value         | Price    |   | Dollar Price           |
|--------------|---------------|--------|--------|------------------------|----------|---|------------------------|
| 05/01/2035   | Serial Coupon | 5.000% | 4.310% | 9,615,000.00           | 104.741% | c | 10,070,847.15          |
| 05/01/2036   | Serial Coupon | 5.000% | 4.340% | 6,545,000.00           | 104.529% | c | 6,841,423.05           |
| <b>Total</b> | -             | -      | -      | <b>\$16,160,000.00</b> | -        | - | <b>\$16,912,270.20</b> |

### Bid information

|                                       |                 |
|---------------------------------------|-----------------|
| Par Amount of Bonds                   | \$16,160,000.00 |
| Reoffering Premium or (Discount)      | 752,270.20      |
| Gross Production                      | \$16,912,270.20 |
| Total Underwriter's Discount (0.412%) | \$(66,627.68)   |
| Bid (104.243%)                        | 16,845,642.52   |
| Total Purchase Price                  | \$16,845,642.52 |
| Bond Year Dollars                     | \$333,785.00    |
| Average Life                          | 20.655 Years    |
| Average Coupon                        | 5.000000%       |
| Net Interest Cost (NIC)               | 4.7945856%      |
| True Interest Cost (TIC)              | 4.6757969%      |



**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest               | Total P+I              |
|--------------|------------------------|----------|------------------------|------------------------|
| 05/01/2015   | -                      | -        | -                      | -                      |
| 05/01/2016   | -                      | -        | 1,010,000.00           | 1,010,000.00           |
| 05/01/2017   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2018   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2019   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2020   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2021   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2022   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2023   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2024   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2025   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2026   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2027   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2028   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2029   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2030   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2031   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2032   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2033   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2034   | -                      | -        | 808,000.00             | 808,000.00             |
| 05/01/2035   | 9,615,000.00           | 5.000%   | 808,000.00             | 10,423,000.00          |
| 05/01/2036   | 6,545,000.00           | 5.000%   | 327,250.00             | 6,872,250.00           |
| <b>Total</b> | <b>\$16,160,000.00</b> | <b>-</b> | <b>\$16,689,250.00</b> | <b>\$32,849,250.00</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$333,785.00 |
| Average Life                      | 20.655 Years |
| Average Coupon                    | 5.000000%    |
| Net Interest Cost (NIC)           | 4.7945856%   |
| True Interest Cost (TIC)          | 4.6757969%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.8832179%   |
| <b>IRS Form 8038</b>              |              |
| Net Interest Cost                 | 4.5623534%   |
| Weighted Average Maturity         | 20.655 Years |

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|
| 02/01/2015 | -         | -      | -          | -          | -            |
| 11/01/2015 | -         | -      | 606,000.00 | 606,000.00 | -            |
| 05/01/2016 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2016 | -         | -      | -          | -          | 1,010,000.00 |
| 11/01/2016 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2017 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2017 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2017 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2018 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2018 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2018 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2019 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2019 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2019 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2020 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2020 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2020 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2021 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2021 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2021 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2022 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2022 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2022 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2023 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2023 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2023 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2024 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2024 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2024 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2025 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2025 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2025 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2026 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2026 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2026 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2027 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2027 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2027 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2028 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2028 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2028 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 05/01/2029 | -         | -      | 404,000.00 | 404,000.00 | -            |
| 06/30/2029 | -         | -      | -          | -          | 808,000.00   |
| 11/01/2029 | -         | -      | 404,000.00 | 404,000.00 | -            |

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total  |
|--------------|------------------------|----------|------------------------|------------------------|---------------|
| 05/01/2030   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 06/30/2030   | -                      | -        | -                      | -                      | 808,000.00    |
| 11/01/2030   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 05/01/2031   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 06/30/2031   | -                      | -        | -                      | -                      | 808,000.00    |
| 11/01/2031   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 05/01/2032   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 06/30/2032   | -                      | -        | -                      | -                      | 808,000.00    |
| 11/01/2032   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 05/01/2033   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 06/30/2033   | -                      | -        | -                      | -                      | 808,000.00    |
| 11/01/2033   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 05/01/2034   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 06/30/2034   | -                      | -        | -                      | -                      | 808,000.00    |
| 11/01/2034   | -                      | -        | 404,000.00             | 404,000.00             | -             |
| 05/01/2035   | 9,615,000.00           | 5.000%   | 404,000.00             | 10,019,000.00          | -             |
| 06/30/2035   | -                      | -        | -                      | -                      | 10,423,000.00 |
| 11/01/2035   | -                      | -        | 163,625.00             | 163,625.00             | -             |
| 05/01/2036   | 6,545,000.00           | 5.000%   | 163,625.00             | 6,708,625.00           | -             |
| 06/30/2036   | -                      | -        | -                      | -                      | 6,872,250.00  |
| <b>Total</b> | <b>\$16,160,000.00</b> | <b>-</b> | <b>\$16,689,250.00</b> | <b>\$32,849,250.00</b> | <b>-</b>      |

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$333,785.00 |
| Average Life                      | 20.655 Years |
| Average Coupon                    | 5.0000000%   |
| Net Interest Cost (NIC)           | 4.7945856%   |
| True Interest Cost (TIC)          | 4.6757969%   |
| Bond Yield for Arbitrage Purposes | 4.1441735%   |
| All Inclusive Cost (AIC)          | 4.8832179%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 4.5623534%   |
| Weighted Average Maturity | 20.655 Years |

Phase IV (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:37 PM

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 1 of 2

| Date       | Principal | Coupon | Interest   | Total P+I  | CIF          | Net New D/S | Fiscal Total |
|------------|-----------|--------|------------|------------|--------------|-------------|--------------|
| 02/01/2015 | -         | -      | -          | -          | -            | -           | -            |
| 11/01/2015 | -         | -      | 606,000.00 | 606,000.00 | (606,000.00) | -           | -            |
| 05/01/2016 | -         | -      | 404,000.00 | 404,000.00 | (404,000.00) | -           | -            |
| 11/01/2016 | -         | -      | 404,000.00 | 404,000.00 | (404,000.00) | -           | -            |
| 05/01/2017 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2017 | -         | -      | -          | -          | -            | -           | 404,000.00   |
| 11/01/2017 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2018 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2018 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2018 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2019 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2019 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2019 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2020 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2020 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2020 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2021 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2021 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2021 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2022 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2022 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2022 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2023 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2023 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2023 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2024 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2024 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2024 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2025 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2025 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2025 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2026 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2026 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2026 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2027 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2027 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2027 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2028 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2028 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2028 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2029 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 06/30/2029 | -         | -      | -          | -          | -            | -           | 808,000.00   |
| 11/01/2029 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |
| 05/01/2030 | -         | -      | 404,000.00 | 404,000.00 | -            | 404,000.00  | -            |

Phase IV (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:37 PM

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

**Net Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | CIF                   | Net New D/S            | Fiscal Total  |
|--------------|------------------------|----------|------------------------|------------------------|-----------------------|------------------------|---------------|
| 06/30/2030   | -                      | -        | -                      | -                      | -                     | -                      | 808,000.00    |
| 11/01/2030   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 05/01/2031   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 06/30/2031   | -                      | -        | -                      | -                      | -                     | -                      | 808,000.00    |
| 11/01/2031   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 05/01/2032   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 06/30/2032   | -                      | -        | -                      | -                      | -                     | -                      | 808,000.00    |
| 11/01/2032   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 05/01/2033   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 06/30/2033   | -                      | -        | -                      | -                      | -                     | -                      | 808,000.00    |
| 11/01/2033   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 05/01/2034   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 06/30/2034   | -                      | -        | -                      | -                      | -                     | -                      | 808,000.00    |
| 11/01/2034   | -                      | -        | 404,000.00             | 404,000.00             | -                     | 404,000.00             | -             |
| 05/01/2035   | 9,615,000.00           | 5.000%   | 404,000.00             | 10,019,000.00          | -                     | 10,019,000.00          | -             |
| 06/30/2035   | -                      | -        | -                      | -                      | -                     | -                      | 10,423,000.00 |
| 11/01/2035   | -                      | -        | 163,625.00             | 163,625.00             | -                     | 163,625.00             | -             |
| 05/01/2036   | 6,545,000.00           | 5.000%   | 163,625.00             | 6,708,625.00           | -                     | 6,708,625.00           | -             |
| 06/30/2036   | -                      | -        | -                      | -                      | -                     | -                      | 6,872,250.00  |
| <b>Total</b> | <b>\$16,160,000.00</b> | <b>-</b> | <b>\$16,689,250.00</b> | <b>\$32,849,250.00</b> | <b>(1,414,000.00)</b> | <b>\$31,435,250.00</b> | <b>-</b>      |

Phase IV (15/20 yr) IDA | Non-Aidable - Addition | 11/14/2007 | 5:37 PM

**\$16,160,000**

City of Syracuse

SIDA Bonds

Phase IV (15/20 yr) - Non-Aidable - Addition

### Operation Of Capitalized Interest Fund

| Date         | Principal             | Rate       | Interest           | Receipts              | Disbursements         | Cash Balance |
|--------------|-----------------------|------------|--------------------|-----------------------|-----------------------|--------------|
| 02/01/2015   | -                     | -          | -                  | 0.02                  | -                     | 0.02         |
| 11/01/2015   | 578,737.43            | 4.0000000% | 27,262.56          | 605,999.99            | 606,000.00            | 0.01         |
| 05/01/2016   | 388,312.18            | 4.0000000% | 15,687.81          | 403,999.99            | 404,000.00            | -            |
| 11/01/2016   | 396,078.43            | 4.0000000% | 7,921.57           | 404,000.00            | 404,000.00            | -            |
| <b>Total</b> | <b>\$1,363,128.04</b> | <b>-</b>   | <b>\$50,871.94</b> | <b>\$1,414,900.00</b> | <b>\$1,414,900.00</b> | <b>-</b>     |

#### Investment Parameters

|  |                |
|--|----------------|
| Investment Model [PV, GIC, or Securities]        | GIC            |
| Default investment yield target                  | User Defined   |
| Cash Deposit                                     | 0.02           |
| Cost of Investments Purchased with Bond Proceeds | 1,363,128.04   |
| Total Cost of Investments                        | \$1,363,128.06 |
| Target Cost of Investments at bond yield         | \$1,347,465.42 |
| Actual positive or (negative) arbitrage          | (15,662.64)    |
| Yield to Receipt                                 | 3.1404256%     |
| Yield for Arbitrage Purposes                     | 4.1441735%     |

#### Composition Of Initial Deposit

|   |              |
|---|--------------|
| Original Bond Proceeds                      | 1,363,128.06 |
| Accrued Interest                            | -            |
| Cash Contribution and Prior Issue Transfers | -            |

Theodore A. Trespasz, Jr.  
Trespasz and Marquardt, LLP  
JSCB Special Finance Counsel

Prior to forming Trespasz and Marquardt, LLP, Mr. Trespasz was an associate (1988) and then a partner (1989 - 1999) at Hiscock & Barclay, LLP in Syracuse, New York where he developed and chaired that firm's municipal finance practice. Prior to joining Hiscock & Barclay, Mr. Trespasz served as a municipal finance tax attorney for six years (1982 - 1988) at Hawkins, Delafield & Wood in New York City. Mr. Trespasz has worked in all phases of municipal finance with particular emphasis on matters relating to the issuance of bonds, the interest on which is tax exempt under Section 103 of the Internal Revenue Code of 1986. In this regard he has had extensive experience in the representation of issuers, underwriters and borrowers and has covered a wide range of legal topics relating to the issuance of state and local governmental obligations in connection with the financing or, through the issuance of current or advance refunding bonds, the refinancing of a broad spectrum of projects.

In connection with this practice Mr. Trespasz has assisted in the issuance of a wide variety of obligations including governmental bonds for state and local government projects (e.g. Counties of Albany, Herkimer, Jefferson, Lewis, Monroe, Oswego, Saratoga, Wayne and Westchester, New York) industrial development revenue bonds (e.g., Industrial Development Agencies in New York City, Albany County, Erie County, Lewis County, Niagara County, Onondaga County, Oswego County, the City of Syracuse and the City of Albany) and health and higher education issue (Dormitory Authority of the State of New York, New York State Medical Care Facilities Finance Authority, Maine Health and Higher Educational Facilities Finance Authority, New Hampshire Higher Educational and Health Facilities Authority). In addition, Mr. Trespasz regularly advises New York State governmental issuers with respect to and participates directly in the development of financing structures for public/private development projects such as mixed use commercial/public parking and privately developed office complexes.

He has been a frequent panel speaker on matters relating to tax exempt finance at various conferences and seminars including those sponsored by the New York State School Board's Association and the National Association of Bond Lawyers. Mr. Trespasz is a member of the New York State Bar and the National Association of Bond Lawyers and is a member of the Central Region Council of the New York State Government Finance Officers Association

**Raymond G. Hart  
Public Finance Associates, Inc.  
JSCB Financial Advisor**

**Raymond G. Hart, CPA, serves as the President of Public Finance Associates and is responsible for the general management of the firm. Mr. Hart has more than 20 years of experience advising local issuers of municipal debt. In addition, Mr. Hart worked as an audit manager for the State Comptroller's Division of Municipal Affairs for approximately 7 years. Mr. Hart has extensive knowledge in governmental accounting and the statutory provisions governing local government in New York State.**

**Mr. Hart is knowledgeable about structuring and managing debt issues for general obligation debt in New York. In addition, Mr. Hart has experience with lease rental bonds, certificates of participation and airport bonds. Mr. Hart has developed and supervised financings for water and sewer programs including placement through the New York State Revolving Loan Fund, advance refundings, taxable and alternative minimum tax bond programs, variable rate bonds and capital appreciation bonds. Prior to the formation of Public Finance Associates, Mr. Hart worked for the Bank of New York. Mr. Hart helped found the Bank's financial advisory service and worked on various projects involving the Bank's government accounts.**

**Mr. Hart received a B.B.A. in accounting, with honors from the University of Massachusetts and holds professional memberships in the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants and the National Government Finance Officers Association and the New York State chapter thereof.**



Susan C. Schmelzer  
DEPFA First Albany Securities LLC  
JSCB Bond Underwriter

Ms. Schmelzer joined DEPFA First Albany Securities in February 2006 from Roosevelt & Cross where she spent thirteen years concentrating her efforts on providing investment banking services to New York State and its local governmental and school district entities. During her over twenty year career in the municipal finance business she has been extensively involved as both investment banker and financial advisor on literally thousands of New York State municipality and school district bond and note financings. Ms. Schmelzer has worked with the City of Syracuse since 1996.

Ms. Schmelzer has a detailed familiarity with the New York State Local Finance Law and is an acknowledged expert in state aid reimbursement issues. Her expertise has evolved into serving as senior banker on the creation of major financing programs for state agencies, authorities and localities. Over the years, Ms. Schmelzer has served as senior banker on hundreds of stand-alone refunding issues for school districts in New York State. Additionally, Ms. Schmelzer has worked with well over 150 school districts throughout the State who refinanced their outstanding debt because of the enacted changes in State capital reimbursements. She priced over 100 such stand-alone issues since the passage of Chapter 383 of the Laws of 2001 for an aggregate par value of over \$1 billion. Ms. Schmelzer has also acted as the senior banker on over \$720 million of Dormitory Authority School District Revenue Bond Financing Program bonds. On June 9, 2005, she worked closely with the Dormitory Authority in structuring the first new money pool in the amount of \$22.7 million. She acted in the same capacity for the Dormitory Authority on three more pooled transactions in 2005 and 2006 and is working on another that is expected to close in June 2007. Ms. Schmelzer received her B.S. in Quantitative Analysis with minor concentrations in Economics and Management from St. John's University. She received her MBA in Finance also from St. John's University.

**Syracuse JSCB**

**February 14, 2008**

**Enabling Legislation - Comprehensive Plan Ch. 58 Pt.6c.**

| SCHOOL                     | ESTIMATED<br>TOTAL<br>BUDGET | ESTIMATED<br>ADMINISTRATIVE<br>AND SOFT<br>COSTS | ESTIMATED<br>DESIGN<br>BUDGET | ESTIMATED<br>RECONSTRUCTION<br>& REHABILITATION<br>COSTS | EXPECTED<br>COMPLETION<br>TIME FRAME* |
|----------------------------|------------------------------|--|-------------------------------|--|---------------------------------------|
| Institute of Technology    | \$ 35,996,800                | \$ 6,119,456                                     | \$ 2,879,744                  | \$ 26,997,600  | 06.09.2010                            |
| Blodgett Pre K - 8 School  | \$ 29,425,600                | \$ 4,413,840                                     | \$ 2,942,560                  | \$ 22,069,200  | 05.31.2011                            |
| Shea Middle School         | \$ 18,625,600                | \$ 2,793,840                                     | \$ 1,862,560                  | \$ 13,969,200  | 05.31.2011                            |
| H W Smith Pre K - 8 School | \$ 19,899,200                | \$ 2,984,880                                     | \$ 1,989,920                  | \$ 14,924,400  | 05.31.2011                            |
| Clary Middle School        | \$ 20,422,400                | \$ 3,063,360                                     | \$ 2,042,240                  | \$ 15,316,800  | 05.31.2011                            |
| Dr. Weeks Elementary       | \$ 17,944,800                | \$ 2,691,720                                     | \$ 1,794,480                  | \$ 13,458,600  | 05.31.2011                            |
| Fowler High School         | \$ 37,685,600                | \$ 5,652,840                                     | \$ 3,768,560                  | \$ 28,264,200  | 05.31.2011                            |
| <b>Totals</b>              | <b>\$ 180,000,000</b>        | <b>\$ 27,719,936</b>                             | <b>\$ 17,280,064</b>          | <b>\$ 135,000,000</b>                                    |                                       |

\* The JSCB is beginning the process of developing a Master Plan. Once this is completed, the sequencing and construction durations of the projects will be determined.

Adopted by the JSCB on 2/14/08 as the estimates as of that date regarding the cost and expected completion dates of the projects.

# JSCB

## Joint Schools Construction Board

www.jscb.us

### City of Syracuse Division of Purchase Rules and Procedures for the JSCB RFP Process

(In accordance with Chapter 58 A-4 of the laws of 2006)

Adopted by the JSCB 11/30/06

1. The JSCB shall send to the Director of Purchase, Office of Management and Budget for approval a request letter, detailed specs of the RFP (whether it be a hard copy or electronic), a proposed vendor list, and a Request to Advertise. The RFP document shall contain a detailed evaluation criteria as set forth in the attached Appendix A, as developed by the City Engineer and as approved by the City's Director of Management & Budget.
2. Upon approval by the Director of Purchase and the Commissioner of Finance, a contract number will be assigned. A draft RFP shall be prepared by the City Engineer, and approved by the City's Director of Management & Budget. The availability of the draft RFP for comment will be advertised for five (5) days in the official newspaper of the City (The Post Standard), in at least one (1) newspaper of general circulation (e.g. The Wall Street Journal, The New York Times) and in any relevant trade journals (e.g. Dodge Report, Syracuse Builders Exchange, New York State Contract Reporter). The draft RFP will be filed with the JSCB and will be available for a thirty (30) day comment period on the JSCB's website and in hard copy at the City's Division of Purchase.
3. After an additional ten (10) days for the JSCB to review any comments, the Board may issue the final RFP.
4. The comments and findings on the draft RFP along with a copy of the final RFP will be filed with the JSCB Secretary and in the Onondaga County Central Library. Based upon the comments received, the record should document the reasons why the draft RFP was modified or not amended.
5. The final RFP will be advertised for five (5) days as set forth above and shall be distributed to those on the list of interested vendors maintained by the Division of Purchase and to any vendor who requests a copy. The final RFP will also be available on the JSCB's website.
6. The deadline for receipt of proposals will be four (4) weeks from the last day of the ad; The JSCB, in its sole discretion, reserves the right to extend the due date for proposals to any period deemed appropriate.
7. All proposals must be clearly marked with the RFP's title and contract number and submitted to the Division of Purchase, 221 City Hall by 2:30 pm of the due date.

8. The proposals are to be opened and recorded in the Division of Purchase. This is not a public opening.
9. Once the proposals are opened, the originals will be kept in the Division of Purchase and the copies will be distributed to the JSCB Secretary for distribution to the JSCB members. There is no public posting of results for any RFP.
10. The JSCB members will review the proposals individually after which the members will meet as a Board to reach consensus on the evaluation of each proposal. The JSCB may choose to conduct interviews of prospective candidates, and may enter into executive session to the extent permitted by law in order to conduct the RFP selection process. The record shall reflect the basis for the evaluation score assigned to each proposal.
11. The JSCB shall reserve the right to reject all proposals. The JSCB shall have the authority to issue a new RFP if it deems the responses to the original RFP are not in the best interest of the public. The record shall reflect the basis for such determinations.
12. The JSCB hereby grants the City's Director of Management and Budget the authority to issue JSCB RFPs and to make procedural decisions regarding these matters in accordance with the City Charter and as authorized by law.
13. Upon the JSCB's review and vote, a letter of contract award from the JSCB Secretary will be sent to the Director of Purchase, Office of Management and Budget. The JSCB will also notify all consultants responding to the advertisement of the final ranking of the most qualified consultant.
14. The Division of Purchase will forward the letter to the Law Department requesting that a contract with the selected offerer be negotiated and drafted. Upon completion of negotiations and drafting, the Law Department will forward the contract to the Division of Purchase.
15. Upon completion of all contract documents, a copy of the agreement will then be forwarded to the JSCB so that they may proceed with the contract. The JSCB by resolution will direct its chairperson to execute any necessary contract documents.

11/30/06

## Appendix A

### **Consultant Selection Evaluation Criteria and Procedures (General)**

1. The JSCB will develop evaluation criteria, and their relative weight, which is used to evaluate and rank the consultant proposals. The criteria shall be based on relevant factors pertaining to the specific request for proposal which may include but not be limited to: the understanding of the proposed scope of work, the experience of the firm, the experience of the proposed staff, the ability to meet the proposed budget and time schedule, the familiarity with similar school renovation projects and experience working with the State Education Department.
2. The evaluation criteria and their relative weight will be included in the RFP. If a cost proposal is requested as part of the RFP, the RFP shall include how the cost proposal will be considered in the selection process (in most cases the costs proposals are always kept separate from the technical proposals. The technical proposals are evaluated first so as to not be influenced by the cost proposals.)
3. The first step in the evaluation process is to determine that each proposal contains all forms and other information required by the advertisement. Submittals may be considered non-responsive if all required information is not provided, and rejected without evaluation. Late submittals, submittals to the wrong location, and submittals with inadequate copies are considered non-responsive and should be rejected. Submittals of additional information after the due date cannot be allowed.
4. The JSCB reviews the submitted proposals according to the published evaluation criteria and weighting factors. They are given an evaluation score sheet to complete their scoring. Scores are given to each consultant based on the information contained in the proposals. Based on scores and a discussion of the firms' proposals, the JSCB establishes a short list of consultants that it determines to be best qualified to perform the contract work. If a cost proposal is requested and is not part of the original evaluation criteria, the JSCB may open the cost proposals for consideration in their ranking of the most qualified proposals.
5. The JSCB will determine whether interviews are warranted and which consultants will be interviewed. After interviews are held, the JSCB will discuss and document the strengths and weaknesses of each consultant on the short list based on the results of the interview (if held) and the evaluation of the proposal and determine the final ranking based on the evaluation criteria.

11/30/06

# JSCB

## Joint Schools Construction Board

[www.jscb.us](http://www.jscb.us)

### Members:

**Hon. Matthew J. Driscoll, Chair**  
Mayor  
City of Syracuse

**Daniel G. Lowengard**  
Superintendent of Schools  
Syracuse City School District

**Hon. Calvin Corriders, Treasurer**  
Commissioner  
Board of Education

**Dr. Ruben P. Cowart**  
President and CEO  
Syracuse Community Health Center

**Hon. Ned Deuel**  
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Board of Education

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President  
Syracuse Common Council

**Hon. Laurie Menkin**  
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Board of Education

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Director of Administration  
City of Syracuse

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Councillor  
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**Hon. William M. Ryan**  
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City of Syracuse

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Director of Intergovernmental Affairs  
City of Syracuse

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**Bill Owens**  
Contract Compliance Officer  
City of Syracuse

**Mary Robison, P.E.**  
City Engineer  
City of Syracuse

**Joseph Rufo**  
Chief Financial Officer  
Syracuse City School District

§6(e) of Ch. 58, Pt. A-4 of the Laws of 2006 (the JSCB Enabling Legislation) requests that the JSCB include as part of its Comprehensive Plan "any proposed amendments to the city school district's five year capital facilities plan submitted in accordance with subdivision 6 of section 3602 of the education law and regulations of the commissioner."

As of February 14, 2008 the JSCB has been advised by the Syracuse City School District that no amendments exist to the Syracuse City School District's Five Year Capital Facilities Plan



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Syracuse City



School District

**Daniel G. Lowengard**  
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# JSCB

Joint Schools Construction Board  
www.jscb.us

## Development and Diversification Plan for Workforce and Business

### Members:

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Fax (315) 435-4015

Adopted by the JSCB 11/30/06  
Revised 2/1/07

## **Goals of the Syracuse Joint School Construction Board Project:**

1. Renovate existing schools to create learning environments that are at the forefront of educational design and that deliver the flexible spaces, instructional technology and social support necessary to enhance student achievement equal to or exceeding the New York State Regents standards.
2. Renovate existing schools such that the quality of facilities district-wide is equitable and such that the quality of facilities is equal to or superior to those of any other school district in the state.
3. Develop shared facilities for educational, public safety, health, social support, and recreational purposes.
4. Maximize the economic benefit from school construction and reconstruction to neighborhood development and economic revitalization throughout the City.
5. Assist the Syracuse City School District, local labor, government, and not-for-profit agencies to develop, recruit and train a new diverse workforce.
6. Encourage, assist and sustain business development of under represented populations (i.e. people of color and women) and maximize the use of Syracuse based labor and local professional and construction-related business enterprises through a progressive and comprehensive Workforce and Business Diversification Plan.
7. Identify and utilize innovative financing techniques to provide sources for the local share – that portion of the cost that is not reimbursable under this project’s State Educational Department (SED) reimbursement formula – and to minimize (i) the local share of the costs of the program, (ii) debt incurred by the City for the program and (iii) net debt service and operation and maintenance costs.
8. Find creative solutions to interim school space during project build-out in a manner that minimizes disruption to existing school operations and classroom instruction.

## **Workforce Development and Diversification Principles and Rules**

### **Mission Statement: Work for all**

#### **I. Statement of Principles**

1. The capital investment represented by the Syracuse Schools Construction Program (the project) requires development of a workforce reflective of the City’s population and diversity.
2. The ten-year duration of the Project provides the opportunity for planned development of a workforce, which meets this diversity objective.



3. In order to properly plan the development of a diverse workforce for The Project, the Program Manager shall oversee, facilitate, develop, and/or implement the following:
  - a. A community-wide public relations campaign to provide specific information about the Project's employment opportunities, referral and training programs.
  - b. A methodology which assists contractors, suppliers, professional service firms, or any other businesses providing goods and services to the Project to effectuate the workforce diversity goals of the Project and the minimum standards to be attained when providing such goods and services to The Project. All contracts shall include remedies and sanctions for non-compliance and identify a means by which inquiries and disputes about The Project requirement may be addressed.
  - c. An independent compliance program which monitors performance of contractors, suppliers, and professional service firms.
  - d. Regular monthly reporting to the JSCB setting forth the results of all employment and compliance activity and dispute resolution activities.
  - e. All contractors, suppliers, professional service firms or other businesses providing goods or services with a JSCB contract of \$20,000 or more shall comply with the workforce diversity rules set forth in Section II below. In the case of a contract award where compliance cannot be achieved through no fault and/or by act of omission of the contractor and/or vendor, the party required to comply with the workforce diversification rules shall present a plan to meet the goals of the Project in an alternative manner acceptable to the JSCB. In such case, the alternative plan shall be reviewed by the Program Manager. If the program manager determines, upon review of documented evidence of good faith efforts to meet the original goals, that the alternative plan does/ does not meet the intent and goals of the project, the recommendation of the Program Manager shall be submitted to the JSCB for approval or rejection within 20 workdays from submission of the alternative plan.

## **II. Workforce Development (EEO) and Diversification Rules**

1. In order to achieve the workforce diversification goals of the project, each contractor, supplier, professional service firm or other business providing goods or services is required to ensure that the workforce which it engages to perform work for the project shall demonstrate in terms of the value of the contract and/or contract as amended participation as follows:

Minority Workforce: 10% of project personnel including skilled tradespeople, trainees, journeymen, apprentices, and supervisory staff.

Female Workforce: 10% of project personnel including skilled tradespeople, trainees, journeymen, apprentices, and supervisory staff.

Each contractor, supplier, professional service provider, or other businesses providing goods and services shall also strive to maximize the use of Syracuse based labor, contractors, suppliers, and service providers.

2. In order to achieve such development and diversification in its workforce, each contractor, supplier, professional service firm or other businesses providing goods or services shall:
  - a. Provide the program manager or the designated compliance officer with a monthly workforce census and such other employment and/or payroll records necessary to verify achievement of the workforce diversity goals and demonstrate compliance with the minimum standards.
  - b. Provide access and cooperation to the project compliance officer to review records on-site and/or at work-site premises to validate workforce participation.
  - c. With bid submission, present a written recruiting program directed at attracting candidates to fill positions of employment in order to meet such requirements.
  - d. With bid submission, provide statement committing to training or participation in training provided by a third party to train new employees in meaningful ways to succeed in their employment opportunities and to promote long-term employment within the industry or profession.
3. In the event the prime contractor, supplier, professional service firm or other business providing goods or services fails to maintain minority/women workforce goals through the duration of the project, the contract or purchase order, the JSCB can and shall exercise in a timely manner one or more of the following remedies.

- a. Summon the contractor, supplier, professional service firm or other businesses providing goods or services for a hearing with a JSCB select hearing panel. The hearing shall be held within ten (10) days of notice of non-compliance by the compliance monitor.
- b. Withhold payment of any amounts due pending resolution of the hearing.
- c. Assess liquidated damages in an amount equal to the dollar value that would have been realized if the minority/women workforce has been met.
- d. Withhold, suspend, cancel or terminate the contract or purchase order
- e. Identify such contractor as a non-responsive bidder for future contracts on the project.

## **Business Development and Diversification Principles and Rules**

### **I. Statement of Principles**

1. The capital investment represented by the Syracuse Schools Construction Program creates a unique opportunity for participation of minority-owned business enterprises and women-owned business enterprises. To ensure that contracts for goods and services are placed with qualified minority and women owned business enterprises, the Program Manager will oversee, facilitate, develop and/or implement the following:
  - a. Identify certified MBE and WBE firms available to provide goods and services to the project and to create a reference list for all project participants.
  - b. Identify firms that could/can be certified as MBE or WBE.
  - c. Ensure that contractors and suppliers divide the goods or services to be provided into Scopes, where economically and technically feasible, to create opportunities for participation.
  - d. Coordinate activities and services with organizations such as Chambers of Commerce, Trade groups, and community-based groups/organizations, which promote MBE and/or WBE interests.
  - e. Create the opportunities for mentoring less experienced and/or start-up M/WBE's.
  - f. Encourage the formation of joint ventures, partnerships, or other similar arrangements where feasible.

- g. Create a network for referral for banking and surety credit needs and advocate for the provision of an accelerated payment system, revolving credit and needs for project bonding.
  - h. Develop a methodology which assists contractors, suppliers, professional service firms, or any other business providing goods or services to the project to effectuate the business development and diversification goals of the project and the minimum standards to be attained when providing such goods and services to the project. All contracts shall include remedies and sanctions for non-compliance and identify a means by which inquiries and disputes about the project requirements may be addressed.
2. All contractors, suppliers, professional service firms or other businesses providing goods or services shall comply with the business development and diversification rules set forth in Section II below. In the case of a contract award where compliance cannot be achieved through no fault and/or by act of omission of the contractor, the party required to comply with the workforce diversification rules shall present a plan, to meet the goals of the project in an alternative manner acceptable to the JSCB. In order to present an alternative plan for meeting diversification goals, written evidence must be presented that good faith efforts were made to secure the services of under-represented workers and businesses. In such case, the alternative plan shall be reviewed by the Program Manager and the recommendation of the program manager shall be submitted to the JSCB for approval or rejection within twenty (20) business days from the submission of the alternative plan.

**II. Business Development and Diversification Rules**

- 1. In order to achieve the Business Development goals of the project, each contractor, supplier, professional service firm or other business providing goods or services with a JSCB contract of \$20,000 or more is required to engage a minority and/or women owned business to provide for the following
 

|      |                                       |
|------|---------------------------------------|
| MBE: | 9% of each contract or purchase order |
| WBE  | 6% of each contract or purchase order |
- 2. The value of the work procured from certified MBE's and WBE's to accomplish these goals shall be determined as follows:
  - a. The dollar value of the work contracted to MBE's or WBE's through a purchase order, less any portion of that value paid by the MBE or WBE to any non-MBE or non-WBE manufacturer or producer to provide such goods and services as a subcontractor or sub-supplier to the MBE/WBE.
  - b. The full dollar value of a sub-contract with all M/WBE firms will be counted towards the diversification goals of the project.

- c. In the instance of a joint venture, the percentage of the joint venture's profits (or losses) which are to accrue to the MBE or WBE joint venture partner
  - d. In the case of a certified minority or women owned supplier which is in the business of supplying goods and materials by maintaining accounts with product manufacturers, paying for goods and materials directly, warehouses goods and materials, provide shipping and handling, and conducts its business as an industry supplier and not a broker, the full value of such contract or purchase order shall meet the project goals. In all other instances, only 25% of such contract or purchase order shall meet the project goals.
3. Each contractor, supplier, professional service firm or other businesses providing goods or services shall solicit bids for subcontractors and suppliers from certified MBE's and WBE's including circulation of solicitations to minority contractors, suppliers, trade associations and/or employment and business advocacy groups/organizations. When evaluating bids and/or proposals received, each contractor, supplier, or professional service firm shall act in "good faith" and shall exercise best efforts to assist M/WBE firms to secure such work.
  4. To be deemed an MBE or WBE a certificate and/or letter so designating must be presented prior to contract award. Failure to produce an authentic certificate/letter will result in the firm not receiving an MBE or WBE designation for the project thereby jeopardizing diversification goals.
  5. MBE and WBE designations are honored only for the area/component for which the designation has been provided by an authorizing agent.
  6. The City of Syracuse is the authorizing agent for MBE and WBE designations. The JSCB reserves the right to revise the Diversity plan once the goals of 9% MBE participation and 6% WBE participation are met through City-certified firms.
  7. Each contractor, supplier, professional service firm or other businesses providing goods or service shall provide the Program Manager and the project compliance officer a monthly report demonstrating compliance with the Business Development and Diversification Rules. Reports submitted must provide the data set required by the program manager

8. In the event the prime contractor, supplier, and professional service firm or other business providing goods or service fails to maintain MBE and WBE goals through the duration of the contract, the purchase order of the project, the JSCB can and shall exercise one or more of the following remedies.
  - a. Summon the contractor, supplier or professional service firm or other businesses providing goods or services for a hearing with a JSCB select hearing panel designated by the Board. The hearing shall be held within ten (10) days of notice of non-compliance by the compliance officer.
  - b. Withhold payment of any amounts due pending resolution of the hearing
  - c. Assess liquidated damages in an amount equal to the dollar value that would have been realized if the minority/women workforce had been met.
  - d. Withhold, suspend, cancel or terminate the contract or purchase order.
  - e. Identify such firm as a non-responsive bidder for future contract bids on the project.

## **JSCB Diversity Plan Appendix A: Compliance Monitoring**

### **I. Procedure**

- A. Contract awardees will be notified in the award letter that MWBE and EEO utilization plans and an EEO Policy Statement are due within 10 days of the date of the award letter.
- B. MWBE and EEO utilization plans and EEO Policy Statement will be submitted to the Program Manager for initial review.
- C. The Program Manager will forward MWBE and EEO utilization plans and EEO Policy Statement to the City's Contract Compliance Officer for approval.
- D. The City's Contract Compliance Officer will review and make recommendations to the JSCB for approval of the MWBE and EEO utilization plans and EEO Policy Statement.
- E. Approved MWBE and EEO utilization plans and EEO Policy Statement will be forwarded to the Department of Purchase prior to contract execution.
- F. Once a contract is executed, the prime contractor will submit Form C, along with copies all written subcontracts, invoices and purchase orders and corresponding proofs of payments to the Program Manager for review by the 15<sup>th</sup> of each month for the duration of the contract.
- G. The Program Manager will forward Form C, copies of invoices and purchase orders and corresponding proofs of payment to the City's Contract Compliance Officer for approval.
- H. The City's Contract Compliance Officer will make a monthly report to the JSCB on compliance with the JSCB Diversity Plan of all open contracts.
- I. Once all work has been completed on a contract and prior to close out, the prime contractor will submit Form B's to the Program Manager stating the total amount actually paid to the MWBE along with corresponding proof of payment. A separate Form B is needed for each MWBE participating in the contract. Each Form B must be signed by both the prime contractor and the MWBE subcontractor.
- J. The Program Manager will review all Form B's for completeness and accuracy and forward to the City's Contract Compliance Officer for approval.
- K. The City Engineer will be notified of all approved Form B's prior to release of retainage.

- L. Actual compliance statistics will be included in the Monthly Compliance Report to the JSCB.

II. **Forms (Attached)**

**Form A —Initial WMBE Utilization Report**

**This form records the prime contractor's plan to comply with the JSCB's Diversity Plan. It answers the questions---**

What MWBE's will be used?

What kinds of work will be involved?

What is the dollar value of the work?

When will the work begin?

**Form C—Monthly WMBE Utilization Report**

**This form records the prime contractor's payment to the MWBE's listed in Form A. It answers the questions----**

What MWBE's are being actually used on the contract?

How much are they being paid?

From the answers to these two questions, the prime contractor's progress on fulfilling the requirements of the JSCB Diversity Plan can be determined.

**Form E—EEO Work Force Utilization Report**

**This form records the distribution of minorities and women in the prime contractor's workforce and his plan for meeting the JSCB's Diversity Plan EEO goals. This report is submitted monthly and at close out.**

**Form B—Final MWBE Utilization Report**

**This form records the actual amount paid to MWBE's for work performed on the stated contracted. It is a signed statement of payment by both the prime contractor and the MWBE subcontractor.**



**City of Syracuse  
Initial  
Minority & Women Business Participation Plan - (Form A)**

Contract #: \_\_\_\_\_ Total Contract Amount: \_\_\_\_\_  
MBE Dollar Goal: \_\_\_\_\_ WBE Dollar Goal: \_\_\_\_\_  
Project Name: \_\_\_\_\_

**General/Prime Contractor Information**

Name of General/Prime Contractor: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

List below the names of all proposed Minority/Women Business Enterprises (contractors, suppliers, vendors), the services they will provide, the approximate amount of money they will receive, the date the project will start and its estimated completion date.

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Address: \_\_\_\_\_  
Amount: \_\_\_\_\_ Type of work, service or supplies: \_\_\_\_\_  
Starting Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Address: \_\_\_\_\_  
Amount: \_\_\_\_\_ Type of work, service or supplies: \_\_\_\_\_  
Starting Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
Address: \_\_\_\_\_  
Amount: \_\_\_\_\_ Type of work, service or supplies: \_\_\_\_\_  
Starting Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Total Amounts Listed in Plan: \_\_\_\_\_

I hereby certify that the dollar amount expended on the listed M/WBE's are at least \_\_\_\_\_% of the total contract price for the above named project, and that the foregoing, and attached information is true, accurate, and completed to the best of my knowledge.

Note: This plan must be approved by the City of Syracuse before contract will be executed.

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(authorized signature of General Contractor or Designee)

Notary Stamp & Signature \_\_\_\_\_

---

For Official Use Only

Approved by: \_\_\_\_\_

**City of Syracuse**  
**Final Minority & Women Business Utilization Report (Form B)**

Contract #: \_\_\_\_\_ Total Contract Amount: \_\_\_\_\_

Project Name: \_\_\_\_\_

Percent or Amount of Minority/Women Business Participation: \_\_\_\_\_ % \$ \_\_\_\_\_

**General/Prime Contractor Information**

Name of General/Prime Contractor: \_\_\_\_\_ Tax ID # \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

I hereby certify that the above listed amount is correct and accurate to the best of my knowledge.

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*General/ Prime Contractor*

**Minority/Women Business Enterprise Information**

Tax ID # \_\_\_\_\_

Name of M/WBE: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Please state total amount received by the MWBE on the above named project: \$ \_\_\_\_\_

I hereby certify that the above listed amount is correct and accurate to the best of my knowledge.

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Notary Stamp & Signature:

MONTHLY REPORT

City of Syracuse

CONTRACTOR'S MINORITY AND WOMEN'S BUSINESS (MWBE) MONTHLY REPORT

MONTH \_\_\_\_\_ YEAR \_\_\_\_\_

CONTRACTOR \_\_\_\_\_ CONTRACT # \_\_\_\_\_

CONTRACT AMOUNT \_\_\_\_\_ AMOUNT PAID TO CONTRACTOR THIS MONTH \$ \_\_\_\_\_

MBE: Goal/Amount \_\_\_\_\_ WBE, Goal/Amount \_\_\_\_\_

| Subcontractor | Work Status<br>This Report  | Total Sub. Contact Amt \$ |     | Payments This Month |     | Previous Payments |     | Total Payments<br>Made to Date |     |
|---------------|---|---------------------------|-----|---------------------|-----|-------------------|-----|--------------------------------|-----|
|               |   | MBE                       | WBE | MBE                 | WBE | MBE               | WBE | MBE                            | WBE |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
|               | <input type="checkbox"/> Active<br><input type="checkbox"/> Inactive<br><input type="checkbox"/> Complete |                           |     |                     |     |                   |     |                                |     |
| <b>TOTAL</b>  |   |                           |     |                     |     |                   |     |                                |     |

\_\_\_\_\_ Date

\_\_\_\_\_ Signature

**Form E (EEO-Work Force Utilization Report)**

|                         |                         |  |  |  |  |  |  |  |  |  |  |                          |
|-------------------------|-------------------------|--|--|--|--|--|--|--|--|--|--|--------------------------|
| <b>Contract #</b> _____ |                         |  |  |  |  |  |  |  |  |  |  |                          |
| <b>Amount</b> _____     | <b>Start Date</b> _____ |  |  |  |  |  |  |  |  |  |  | <b>Report Date</b> _____ |
| <b>Contractor</b> _____ |                         |  |  |  |  |  |  |  |  |  |  |                          |

|                        | Total Work Force Projection For Contract |   |                    |   |          |   |       |   |             |   |     |   | Current Participation |   |          |   |
|------------------------|--|---|--------------------|---|----------|---|-------|---|-------------|---|-----|---|-----------------------|---|----------|---|
|                        | Total Employees                          |   | Minority Employees |   |          |   |       |   | Trainees    |   |     |   | Total                 |   | Minority |   |
|                        |  |   | Black              |   | Hispanic |   | Other |   | Apprentices |   | OJT |   | M                     | F | M        | F |
| Job Categories         | M  | F | M                  | F | M        | F | M     | F | M           | F | M   | F | M                     | F | M        | F |
| Officials (Managers)   |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Supervisors            |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Foreman                |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Clerical               |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Equipment Operators    |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Mechanics              |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Truck Drivers          |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Ironworkers            |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Carpenters             |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Cement Masons          |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Electricians           |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Pipefitters, Plumbers  |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Painters               |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Laborers, Semi-Skilled |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Laborers, Unskilled    |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Other                  |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| Other                  |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |
| <b>Total</b>           |  |   |                    |   |          |   |       |   |             |   |     |   |                       |   |          |   |

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 9 of 2008

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) AUTHORIZING THE TRANSACTIONS AND EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS CONTEMPLATED IN CONNECTION WITH THE ISSUANCE OF THE SIDA SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT - SERIES 2008 PROJECT) AT THE REQUEST OF THE JSCB TO FINANCE A PORTION OF THE COSTS OF THE SYRACUSE SCHOOLS RECONSTRUCTION PROJECT.

The following resolution was offered by Ned Demeel, who moved its adoption, seconded by Van Robinson, to-wit:

WHEREAS, the Syracuse Joint Schools Construction Board (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006 (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the "Plan") to the Office of the Comptroller of the State of New York (the "OSC"); and

WHEREAS, by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and

WHEREAS, the JSCB, pursuant to Section 6 of the Act, adopted a Comprehensive Plan, which includes the aforementioned Plan, for Phase 1 of the Syracuse Schools Reconstruction Project, pursuant to a resolution adopted on February 14, 2008 (the "Program"); and

WHEREAS, the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "Series 2008 Project") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$180,000,000 (the "Bonds"); and

WHEREAS, the Series 2008 Project is expected to be undertaken in two stages; and

WHEREAS, pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in

an aggregate principal amount of up to \$47,290,000 (the "Series 2008A Bonds") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "Central Tech Project") and the design ("Design Phase") of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

WHEREAS, by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the JSCB, as "lead agency," classified the Central Tech Project as a "Type I Action" and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

WHEREAS, the JSCB classified the Design Phase as a "Type II Action" under SEQRA; and

WHEREAS, by Resolution No. 0208-133 adopted on February 13, 2008, the School District approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2008A Bonds to finance Phase 1 of the Syracuse Schools Reconstruction Project; and

WHEREAS, by Ordinance No. 55-2008 adopted on February 25, 2008 and approved by the Mayor on February 27, 2008, the City approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2008A Bonds to finance Phase 1 of the Syracuse Schools Reconstruction Project; and

WHEREAS, pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the "Program Manager Agreement"), with Gilbane Building Company; and

WHEREAS, pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (the "License") to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the "Buildings") for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (the "Bill of Sale") conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2008 Project (the "Equipment" and with the Buildings, the "Facilities"), to be financed with proceeds of the Bonds; and

WHEREAS, SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit "A") (the "Indenture") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the Indenture)), State Aid Revenues (as defined in the State Aid Trust Agreement referred to below) and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

WHEREAS, SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit "B") (the "Installment Sale Agreement"), pursuant to which SIDA will sell its interest in the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues; and

WHEREAS, the City and the School District will enter into a State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "Depository") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues (as defined in the State Aid Trust Agreement) into the State Aid Depository Fund (as defined in the State Aid Trust Agreement) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined in the State Aid Trust Agreement); and

WHEREAS, pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf) shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from the City or the City School District any state and/or school aid payable to the City or the City School District to the extent of such amount so stated in such certificate as not having been made and immediately pay over same to the Agency (or the Trustee); and

WHEREAS, pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

WHEREAS, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "Bond Insurance Policy") will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS, DEPFA First Albany Securities LLC, as representative of the Underwriters (the "Underwriters"), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement ("Preliminary Official Statement") and will prepare a final official statement with respect to the Series 2008A Bonds (the "Official Statement") for use in the offering of the Series 2008A Bonds by the Underwriters; and

WHEREAS, the terms and conditions of the proposed purchase of the Series 2008A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by SIDA, the JSCB, the City, the School District and the Underwriters; and

WHEREAS, based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("MBBA") for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA;

NOW THEREFORE, BE IT RESOLVED, that:

1. In consequence of the foregoing, the JSCB hereby determines to:

(a) undertake and complete the Series 2008 Project as agent of SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as the Chair or such other person designated by the Chair (referred to hereinafter individually and collectively as an "Authorized Officer") deems necessary under the circumstances upon advice of counsel to the JSCB;

(b) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon advice of counsel to the JSCB;

(c) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon advice of counsel to the JSCB;



(d) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;

(e) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the "Tax Compliance Certificate"), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon advice of counsel to the JSCB;

(f) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "Continuing Disclosure Agreement") in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law;

(g) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer shall approve;

(h) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the Tax Compliance Certificate and the Continuing Disclosure Agreement, the "Financing Documents").

2. Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the final terms of the Indenture and Bond Purchase Agreement and to share the required information with MBBA.

3. Upon a determination by an Authorized Officer and by SIDA, the City and the School District that financing the Central Tech Project and Design Phase by the Series 2008A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents.

4. In addition to the authority hereinabove granted, the Authorized Officer of the JSCB is hereby authorized and directed, for and in the name and on behalf of the JSCB, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses,

and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to this resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this resolution, the Financing Documents and the other documents referred to above.

5. No covenant, stipulation, obligation or agreement contained in this resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the JSCB in his or her individual capacity. Neither the officials, directors, members, officers or employees of the JSCB, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the JSCB, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

6. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

|                                  |        | Non-Voting Member |
|----------------------------------|--------|-------------------|
| Hon. Matthew J. Driscoll, Chair  |        |                   |
| Daniel G. Lowengard              | voting | <u>Y</u>          |
| Hon. Calvin Corriders, Treasurer | voting | <u>Y</u>          |
| Dr. Ruben P. Cowart              | voting | <u>Y</u>          |
| Hon Ned Deuel                    | voting | <u>Y</u>          |
| Hon. Bea González                | voting | <u>Y</u>          |
| Hon. Laurie Menkin               | voting | <u>Y</u>          |
| Kenneth Mokrzycki                | voting | <u>Abstain</u>    |
| Hon. Van B. Robinson             | voting | <u>Y</u>          |
| Hon. William M. Ryan             | voting | <u>Y</u>          |

The resolution was declared adopted.

CERTIFICATE

I, Christine M. Fix, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on February 28, 2008 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 28 day of February, 2008.

  
Christine M. Fix, JSCB Secretary

**CERTIFICATE**

I, Christine Fix, Secretary of the Joint Schools Construction Board, Syracuse, New York, HEREBY CERTIFY that the foregoing annexed Resolution from the minutes of a meeting of the Board, duly called and held on February 28, 2008 has been compared by me with the original Resolution as officially adopted and recorded in my office in the Minute Book of said Board and is a true, complete and correct copy thereof and of the whole of said original Resolution so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of March, 2008.

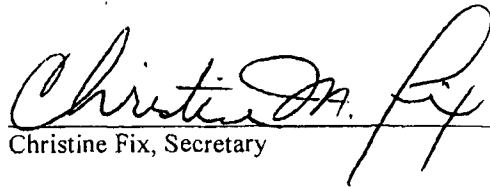
  
Christine Fix, Secretary

Exhibit "A"

)  

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

to

**MANUFACTURERS AND TRADERS TRUST COMPANY,**  
as Trustee

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**INDENTURE OF TRUST (SERIES 2008 PROJECT)**  

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Dated as of February 1, 2008

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2008A  

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**TABLE OF CONTENTS**

|                    |  | <b>Page</b> |
|--------------------|--|-------------|
| <b>ARTICLE I</b>   | <b>DEFINITIONS</b> .....   | 18          |
| Section 1.1.       | Definitions.....   | 18          |
| Section 1.2.       | Construction .....   | 18          |
| <b>ARTICLE II</b>  | <b>AUTHORIZATION AND ISSUANCE OF BONDS</b> .....                       | 19          |
| Section 2.1.       | Authorized Amount of Bonds; Pledge Effected by this<br>Indenture ..... | 19          |
| Section 2.2.       | Issuance and Terms of the Series 2008A Bonds.....                      | 19          |
| Section 2.3.       | Redemption of Series 2008A Bonds.....                                  | 21          |
| Section 2.4.       | Delivery of Series 2008A Bonds .....                                   | 22          |
| Section 2.5.       | Execution of Bonds.....  | 22          |
| Section 2.6.       | Authentication.....  | 23          |
| Section 2.7.       | Additional Bonds .....   | 23          |
| Section 2.8.       | Limitation of Agency’s Liability .....                                 | 26          |
| Section 2.9.       | Book-Entry Bonds .....   | 26          |
| Section 2.10.      | Duties with Respect to the Bond Insurance Policy.....                  | 28          |
| <b>ARTICLE III</b> | <b>GENERAL TERMS AND PROVISIONS OF BONDS</b> .....                     | 31          |
| Section 3.1.       | Date of Bonds .....  | 31          |
| Section 3.2.       | Form and Denominations.....  | 31          |
| Section 3.3.       | Legends .....  | 31          |
| Section 3.4.       | Medium of Payment.....   | 31          |
| Section 3.5.       | Bond Details.....  | 31          |
| Section 3.6.       | Interchangeability, Transfer and Registry.....                         | 32          |
| Section 3.7.       | Bonds Mutilated, Destroyed, Stolen or Lost.....                        | 32          |
| Section 3.8.       | Cancellation and Destruction of Bonds .....                            | 33          |
| Section 3.9.       | Requirements With Respect to Transfers .....                           | 33          |
| Section 3.10.      | Bond Registrar .....   | 33          |
| <b>ARTICLE IV</b>  | <b>APPLICATION OF BOND PROCEEDS</b> .....                              | 34          |
| Section 4.1.       | Application of Proceeds of Series 2008A Bonds.....                     | 34          |
| <b>ARTICLE V</b>   | <b>CUSTODY AND INVESTMENT OF FUNDS</b> .....                           | 35          |
| Section 5.1.       | Creation of Funds and Accounts.....                                    | 35          |
| Section 5.2.       | Project Fund .....   | 35          |
| Section 5.3.       | Payments into Bond Fund.....   | 37          |
| Section 5.4.       | State Aid Intercept .....  | 38          |
| Section 5.5.       | Debt Service Reserve Fund.....   | 40          |
| Section 5.6.       | Application of Bond Fund .....   | 40          |
| Section 5.7.       | Investment of Funds and Accounts.....                                  | 41          |
| Section 5.8.       | Moneys to Be Held in Trust.....  | 43          |
| Section 5.9.       | Repayment to the City for Benefit of SCSD from the Funds .....         | 43          |
| Section 5.10.      | Non-presentment of Bonds .....   | 43          |
| Section 5.11.      | Payments into Rebate Fund; Application of Rebate Fund.....             | 44          |

|                     |   |    |
|---------------------|---|----|
| <b>ARTICLE VI</b>   | <b>REDEMPTION OF BONDS</b> .....                              | 45 |
| Section 6.1.        | Privilege of Redemption and Redemption Price.....             | 45 |
| Section 6.2.        | Selection of Bonds to Be Redeemed.....                        | 45 |
| Section 6.3.        | Notice of Redemption.....                                     | 45 |
| Section 6.4.        | Payment of Redeemed Bonds.....                                | 46 |
| Section 6.5.        | Cancellation of Redeemed Bonds.....                           | 47 |
| Section 6.6.        | No Partial Redemption After Default.....                      | 47 |
| <b>ARTICLE VII</b>  | <b>PARTICULAR COVENANTS</b> .....                             | 48 |
| Section 7.1.        | Agency's Obligations Not to Create a Pecuniary Liability..... | 48 |
| Section 7.2.        | Payment of Principal and Interest.....                        | 48 |
| Section 7.3.        | Performance of Covenants; Authority.....                      | 48 |
| Section 7.4.        | Books and Records; Certificate as to Defaults.....            | 49 |
| Section 7.5.        | The Installment Sale Agreement.....                           | 49 |
| Section 7.6.        | Creation of Liens; Indebtedness; Sale of Facilities.....      | 49 |
| Section 7.7.        | Instruments of Further Assurance.....                         | 50 |
| Section 7.8.        | Recording and Filing.....                                     | 50 |
| Section 7.9.        | Records Held by the Trustee.....                              | 50 |
| Section 7.10.       | Agency Tax Covenant.....                                      | 51 |
| Section 7.11.       | Annual Report of Trustee.....                                 | 51 |
| Section 7.12.       | Rights of the Bond Insurer.....                               | 51 |
| Section 7.13.       | Actions by the Trustee.....                                   | 52 |
| <b>ARTICLE VIII</b> | <b>EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS</b> .....       | 54 |
| Section 8.1.        | Events of Default; No Acceleration of Due Date.....           | 54 |
| Section 8.2.        | Enforcement of Remedies.....                                  | 55 |
| Section 8.3.        | Application of Revenues and Other Moneys After Default.....   | 56 |
| Section 8.4.        | Actions by Trustee.....                                       | 57 |
| Section 8.5.        | Bond Insurer or Majority Bondholders Control Proceedings..... | 57 |
| Section 8.6.        | Individual Bondholder Action Restricted.....                  | 57 |
| Section 8.7.        | Effect of Discontinuance of Proceedings.....                  | 58 |
| Section 8.8.        | Remedies Not Exclusive.....                                   | 58 |
| Section 8.9.        | Delay or Omission.....  | 58 |
| Section 8.10.       | Notice of Default.....  | 58 |
| Section 8.11.       | Waivers of Default.....                                       | 58 |
| <b>ARTICLE IX</b>   | <b>TRUSTEE AND PAYING AGENTS</b> .....                        | 60 |
| Section 9.1.        | Appointment and Acceptance of Duties.....                     | 60 |
| Section 9.2.        | Indemnity.....  | 60 |
| Section 9.3.        | Responsibilities of Trustee.....                              | 60 |
| Section 9.4.        | Compensation.....   | 62 |
| Section 9.5.        | Evidence on Which Trustee May Act.....                        | 62 |
| Section 9.6.        | Trustee and Paying Agents May Deal in Bonds.....              | 62 |
| Section 9.7.        | Resignation or Removal of Trustee.....                        | 63 |
| Section 9.8.        | Successor Trustee.....  | 63 |
| Section 9.9.        | Resignation or Removal of Paying Agent; Successor.....        | 64 |
| Section 9.10.       | Appointment of Co-Trustee.....                                | 65 |

|                     |   |           |
|---------------------|---|-----------|
| Section 9.11.       | Approvals or Consents by Trustee .....  | 65        |
| Section 9.12.       | Notice to Rating Agencies .....   | 66        |
| Section 9.13.       | Notice to the Bond Insurer .....  | 66        |
| Section 9.14.       | Trustee to Disregard Bond Insurance Policy .....  | 66        |
| <b>ARTICLE X</b>    | <b>DISCHARGE OF INDENTURE</b> .....   | <b>67</b> |
| Section 10.1.       | Defeasance .....  | 67        |
| <b>ARTICLE XI</b>   | <b>AMENDMENTS OF INDENTURE</b> .....  | <b>69</b> |
| Section 11.1.       | Limitation on Modifications .....   | 69        |
| Section 11.2.       | Supplemental Indentures Without Bondholders' Consent.....   | 69        |
| Section 11.3.       | Supplemental Indentures With Consent of Bondholders and<br>Bond Insurer.....                                | 70        |
| Section 11.4.       | Supplemental Indenture Part of this Indenture .....   | 72        |
| Section 11.5.       | Rights of School Parties.....   | 72        |
| Section 11.6.       | Consent of Bond Insurer .....   | 72        |
| <b>ARTICLE XII</b>  | <b>AMENDMENTS OF RELATED SECURITY DOCUMENTS</b> .....   | <b>73</b> |
| Section 12.1.       | Amendments of Related Security Documents Not Requiring<br>Consent of Bondholders.....                       | 73        |
| Section 12.2.       | Amendments of Related Security Documents Requiring<br>Consent of the Bondholders and the Bond Insurer ..... | 73        |
| Section 12.3.       | Consents of the Bond Insurer.....   | 74        |
| <b>ARTICLE XIII</b> | <b>MISCELLANEOUS</b> .....  | <b>75</b> |
| Section 13.1.       | Evidence of Signature of Bondholders and Ownership of<br>Bonds .....  | 75        |
| Section 13.2.       | Moneys Held for Particular Bonds .....  | 75        |
| Section 13.3.       | Notices .....   | 75        |
| Section 13.4.       | Parties Interested Herein .....   | 76        |
| Section 13.5.       | Partial Invalidity.....   | 76        |
| Section 13.6.       | Counterparts.....   | 77        |
| Section 13.7.       | Laws Governing Indenture .....  | 77        |
| Section 13.8.       | No Pecuniary Liability of Agency or Members.....  | 77        |
| Section 13.9.       | Payments Due on Saturdays, Sundays and Holidays.....  | 77        |
| Section 13.10.      | Priority of Indenture Over Liens.....   | 77        |
| Section 13.11.      | Date for Reference Purposes Only.....   | 78        |

**APPENDICES**

Form of Requisition from the Project Fund

Appendix A – Definitions

Description of Facilities



## INDENTURE OF TRUST (SERIES 2008 PROJECT)

**THIS INDENTURE OF TRUST (SERIES 2008 PROJECT)** dated as of the date set forth on the cover page hereof (this "*Indenture*"), by and between the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, Syracuse, New York, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at City Hall, Syracuse, New York 13202, party of the first part, and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of New York, as Trustee under this Indenture (the "*Trustee*"), having its principal corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, party of the second part,

### WITNESSETH:

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes and which may include or mean an industrial pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of City of Syracuse, New York (the "*City*") and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State of New York (the "*State*") has determined that many of the existing school buildings of the City School District of the City of Syracuse (the "*SCSD*") are in need of substantial reconstruction and rehabilitation in order to improve the quality of education in the City; and

**WHEREAS**, pursuant to Chapter 58 Part A-4 of the Laws of 2006 of the State (collectively, the "*Syracuse Schools Act*"), each of the City and the SCSD have entered into an agreement pursuant to the charter of the City and have established a Syracuse joint school construction board (the "*JSCB*") to act as the agent of the City and the SCSD; and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry in the City; and

**WHEREAS**, pursuant to the Syracuse Schools Act and other applicable legislation, design, reconstruction or rehabilitation of existing school buildings for their continued use as schools of the SCSD have been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations and has received a proper application from the JSCB, acting on behalf of the SCSD and the City, for the Syracuse District-Wide Reconstruction Project, to induce the SCSD to commence with the financing of the acquisition, rehabilitation, reconstruction, and/or equipping of certain existing school buildings (including personalty and fixtures within certain existing school buildings) within the City (collectively, the "*Facilities*") of the SCSD, such Facilities to be located at the sites listed in Exhibit A attached hereto and made a part hereof; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Syracuse District-Wide Reconstruction Project will assist the SCSD in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, as a result of such negotiations, the JSCB has requested the Agency to issue its bonds from time to time in one or more series through multiple indentures of trust and in an aggregate principal amount not to exceed \$180,000,000 to effect such financing; and

**WHEREAS**, the Agency adopted a resolution on February \_\_, 2008, authorizing the issuance of its revenue bonds to effect such financing and the acquisition of an interest in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency and the sale of the Agency's interest in the Facilities to the City and the SCSD; and

**WHEREAS**, in order to finance a portion of the costs of the Facilities as part of the Syracuse District-Wide Reconstruction Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2008A Bonds described herein, the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$47,290,000 (the "*Series 2008A Bonds*") pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency adopted on February \_\_, 2008 and this Indenture; and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by \*\* (the "*Bond Insurer*"), which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, the City and the SCSD have granted a license to the Agency in and to the Facilities pursuant to a License Agreement (Series 2008 Project), dated as of even date herewith,

among the City, the SCSD and the Agency (as the same may be amended or supplemented, the "License") and conveyed title to the equipment comprising the Facilities to the Agency pursuant to a Bill of Sale to Agency, dated as of even date herewith; and

**WHEREAS**, the Agency has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of even date herewith, among the Agency, the City, the JSCB and the SCSD (as the same may be amended or supplemented, the "*Series 2008A Installment Sale Agreement*"); and

**WHEREAS**, it is contemplated that that the Agency will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Syracuse District-Wide Reconstruction Project; and

**WHEREAS**, concurrently with the execution hereof, the SCSD and the City will enter into an State Aid Trust Agreement, dated as of even date herewith, with Manufacturers and Traders Trust Company, acting as Depository Bank, and the Trustee to provide for, among other things, the payment of all State Aid Revenues (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository Bank for periodic transfer to the Bond Fund and equivalent fund established under each Series Indenture toward payment of the Series 2008A Bonds and each other series of Project Bonds (as defined herein) issued under a Series Indenture, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund and equivalent fund, if any, established under each Series Indenture, and the balance to the General Fund; and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City and the SCSD shall fail to make a payment due under the Installment Sale Agreement or any other Series Facilities Agreement, the Agency (or the related Series Trustee acting on its behalf), shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the City and/or the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, the Series 2008A Bonds and the Trustee's Certificate to be endorsed thereon are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[FORM OF FULLY REGISTERED SERIES 2008A BOND]

**THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR**

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2008A**

Bond Date:

Maturity Date: \_\_\_\_\_ 1, \_\_\_\_\_

Registered Holder: Cede & Co.

Principal Amount:

Interest Rate: \_\_\_\_\_ (\_\_\_%) per annum

Bond Number: R-

CUSIP:

City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (herein called the "Agency"), for value received, hereby promises to pay as hereinafter provided, solely from the installment purchase payments, revenues and receipts derived from or in connection with the Facilities hereinafter referred to as provided in the Indenture of Trust (Series 2008 Project) hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest on the unpaid principal balance thereof from the Bond Date hereof until the Agency's obligation with respect to the payment of such Principal Amount shall be discharged. Interest shall be payable at the Interest Rate set forth above, on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2008. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2008A Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

**Payment of Principal.** The principal or Redemption Price of the Series 2008A Bonds shall be payable at the corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (the "Trustee") and Paying Agent, or at the corporate trust office of any successor Paying Agent.

**Payment of Interest.** In the event the Holder of this bond shall not be DTC or its nominee, interest on this bond shall be payable to the person appearing on the registration books of the Trustee as the registered owner hereof on the Record Date next preceding the Interest Payment Date (1) by check or draft mailed on the Interest Payment Date to the registered owner, or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2008A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2008A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the "*Special Record Date*") which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2008A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

**Authorization and Purpose.** This bond is one of an authorized issue of bonds designated as "City of Syracuse Industrial Development Agency, School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A" (hereinafter called the "*Series 2008A Bonds*") issued in the aggregate principal amount of \$47,290.00. The Series 2008A Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State of New York, particularly the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, Chapter 641 of the 1979 Laws of New York, as amended (collectively, the "*Act*"), and Chapter 58 Part 4-A of the Laws of the State, and as may be amended (collectively, the "*Syracuse Schools Act*"), and under and pursuant to a resolution adopted by the members of the Agency on February \_\_, 2008, authorizing the issuance of the Series 2008A Bonds, and under and pursuant to an Indenture of Trust (Series 2008 Project), dated as of February 1, 2008 (as the same may be amended or supplemented, the "*Indenture*"),

made and entered into between the Agency and Manufacturers and Traders Trust Company, Buffalo, New York, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "Trustee"), for the purpose of financing a portion of the costs of the acquisition, reconstruction, rehabilitation and/or equipping of certain existing school buildings (collectively, the "Facilities") within the City of Syracuse, New York (the "City") of the City School District of the City of Syracuse, a school district of the State of New York (the "SCSD") (the "Series 2008 Project"). Pursuant to a License Agreement (Series 2008 Project), dated as of February 1, 2008 (as the same may be amended or supplemented, the "License"), among the City, the SCSD and the Agency, the City and the SCSD have granted a license to the Agency in and to the Facilities. The Agency has sold its leasehold interest in the Facilities under the License to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of February 1, 2008 (as the same may be amended or supplemented, the "Series 2008A Installment Sale Agreement"), among the Agency, the City, the Syracuse Joint School Construction Board (the "JSCB") and the SCSD. The Installment Sale Agreement requires the payment by the City and the SCSD of (i) Base Installment Purchase Payments (as defined in the Installment Sale Agreement) as scheduled payments equal to the principal of and interest on the Series 2008A Bonds and any Additional Bonds that may be issued under the Indenture (collectively, the "Bonds") as the same become due, and (ii) Reserve Payments (together with the Base Installment Purchase Payments, the "Installment Purchase Payments") to pay deficiencies in the Debt Service Reserve Fund established under the Indenture.

**Pledge and Security.** The obligation of the City and the SCSD to pay Installment Purchase Payments under the Installment Sale Agreement is executory only to the extent of State Aid Revenues (as defined in the State Aid Trust Agreement referred to below), moneys appropriated by the State and available to the City or the SCSD under the Installment Sale Agreement and the State Aid Trust Agreement, and moneys appropriated by the City and the SCSD for such purpose, and no liability on account thereof is incurred by the City and the SCSD beyond the amount of such moneys, *provided, however*, that the failure of the City and the SCSD for any reason (including a failure by the State, the City or the SCSD to appropriate State Aid Revenues) to make an Installment Purchase Payment or an Additional Payment under the Installment Sale Agreement is deemed a failure to make a payment for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the Indenture. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD and neither the faith and credit of the City or the SCSD nor the taxing powers of the City are pledged to the payment of Installment Purchase Payments. The obligations of the City and the SCSD under the Installment Sale Agreement to pay Installment Purchase Payments in any Fiscal Year of the City and the SCSD constitutes a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State of New York (the "State"). The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid Revenues lawfully appropriated by the State and available therefor from time to time for the benefit of the SCSD, and appropriated for such purpose by the City and the SCSD.

Each of the SCSD, the City, the Trustee as a Series Trustee and Manufacturers and Traders Trust Company, Buffalo, New York, as depository bank (together with its successors or

assigns, the “*Depository Bank*”), have entered into a State Aid Trust Agreement, dated as of February 1, 2008 (as the same may be amended or supplemented, the “*State Aid Trust Agreement*”), to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund maintained with the Depository Bank for periodic transfer to the Bond Fund established under the Indenture (and the equivalent fund established under each other Series Indenture) toward payment of the Bonds and each other Series of Project Bonds issued under a Series Indenture, and to the extent of any deficiency therein, to the Debt Service Reserve Fund established under the Indenture, and the equivalent fund, if any, established under each other Series Indenture, and the balance to the General Fund (as defined in the State Aid Trust Agreement).

Copies of the Indenture, the Installment Sale Agreement, the License and the State Aid Trust Agreement are on file at the principal corporate trust office of the Trustee at One M & T Plaza, Buffalo, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Series 2008A Bonds, the charging and collection of installment purchase payments for the Facilities, the custody and application of the proceeds of the Series 2008A Bonds, the rights and remedies of the holders of the Series 2008A Bonds, and the rights, duties and obligations of the Agency, the School Parties and the Trustee.

Pursuant to the Indenture, the Agency has assigned to the Trustee substantially all of its right, title and interest in and to the Installment Sale Agreement, including all rights to receive Base Installment Purchase Payments to pay the principal of and interest on the Series 2008A Bonds as the same become due, and of Reserve Payments to pay deficiencies in the Debt Service Reserve Fund, all to be made by the City and the SCSD pursuant to the Installment Sale Agreement, and all executory only to the extent of State Aid Revenues as provided above.

The Series 2008A Bonds are special obligations of the Agency and shall never constitute a debt of the State of New York nor of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Series 2008A Bonds be payable out of any funds of the Agency other than those pledged therefor. Reference is hereby made to the Indenture for the definition of any capitalized word or term used but not defined herein and for a description of the property pledged, assigned and otherwise available for the payment of the Series 2008A Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Trustee and the holders of the Series 2008A Bonds, and the terms upon which the Series 2008A Bonds are issued and secured.

**Additional Bonds.** As provided in the Indenture, Additional Bonds may be issued from time to time in one or more series for the purpose of financing the Facilities in connection with the Program or refunding outstanding Bonds. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

#### **Redemption of Series 2008A Bonds.**

(a) *General Optional Redemption.* The Series 2008A Bonds maturing from May 1, 20\_\_ to and including May 1, 20\_\_ are not subject to optional redemption prior to the maturity thereof. The Series 2008A Bonds maturing on and after May 1, 20\_\_ are subject to redemption,

in whole or in part, at any time on or after May 1, 20\_\_ (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by the City of its intention to prepay Base Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus in each case accrued interest to the redemption date.

(b) *Mandatory Redemption from Excess Bond Proceeds.* The Series 2008A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent excess Bond proceeds shall remain after the completion or abandonment of the Series 2008 Project, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2008A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) *Redemption Procedures.* If any of the Series 2008A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2008A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2008A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2008A Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any redemption of the Series 2008A Bonds as provided in paragraph (a) above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Series 2008A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem such Series 2008A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2008A Bonds so called for redemption at the place or places of payment, such Series 2008A Bonds shall be redeemed:

So long as the Securities Depository is effecting book-entry transfers of the Series 2008A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2008A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2008A Bond so affected, shall not affect the validity of the redemption of such Series 2008A Bond.

**Payments Due on Saturdays, Sundays and Holidays.** In any case where any payment date of principal or Redemption Price, if any, and/or interest on this bond shall be (i) a Saturday or Sunday, (ii) a day in which banks in the State of New York, or in the city in which the



corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed, then payment of such principal or Redemption Price, if any, and/or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

**Amendment of Indenture.** The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Agency and the rights of the holders of the Bonds at any time by the Agency with the consent of the Trustee, or, where so provided in the Indenture, the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder; provided, however, that if any such amendment or modification would affect only a single series of Bonds, then the consent of the holders of not less than a majority in aggregate principal amount of such series of Bonds at the time Outstanding thereunder shall instead be required. Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

**Book-Entry System.** The Series 2008A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One bond certificate with respect to each date on which the Series 2008A Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or its agent. The book-entry system will evidence positions held in the Series 2008A Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2008A Bonds in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Agency and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, redemption premium, if any, and interest on this bond, (ii) notices, and (iii) voting. Transfer of principal, and interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Redemption Price, and interest payments to Beneficial Owners of the Series 2008A Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Agency and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Agency, the Trustee and the Securities Depository.

**Denominations.** The Series 2008A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof.

**Exchange of Series 2008A Bonds.** The holder of this bond may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2008A Bonds of any of the authorized denominations of the same maturity and maturities as this bond or the Series 2008A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Series 2008A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2008A Bonds to be redeemed, or (ii) transfer or exchange any Series 2008A Bonds selected, called or being called for redemption in whole or in part.

**Transfer of Series 2008A Bonds.** This bond is transferable, as provided in the Indenture, only upon the books of the Agency kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2008A Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, and interest due hereon and for all other purposes whatsoever.

**No Acceleration of Series 2008A Bonds.** In no event shall the principal of any Series 2008A Bond be declared due and payable in advance of its final stated maturity.

**Limitation on Bondholder Enforcement Rights.** The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

**Special Obligation of the Agency.** This bond and the issue of which it forms a part are special obligations of the Agency, payable by the Agency solely out of the installment purchase payments, revenues or other receipts, funds or moneys of the Agency pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Series 2008A Bonds.

**Estoppel Clause.** It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

**No Personal Liability.** Neither the members, directors, officers or agents of the Agency nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

**Authentication by Trustee.** This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

**IN WITNESS WHEREOF**, City of Syracuse Industrial Development Agency has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary, all as of the Bond Date indicated above.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

**ATTEST:**

By: \_\_\_\_\_  
[Vice] Chairman

\_\_\_\_\_  
Secretary

**(FORM OF CERTIFICATE OF AUTHENTICATION)**

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, of the issue described in the within-mentioned Indenture.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, Trustee**

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

## STATEMENT OF INSURANCE

\*\* (“\*\*”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to Manufacturers and Traders Trust Company, Buffalo, New York, or its successor, as paying agent for the Series 2008A Bonds (the “*Paying Agent*”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from \*\* or the Paying Agent.

**(FORM OF ASSIGNMENT)**

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned sells, assigns and transfers unto

---

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
Attorney to transfer the such bond on the books kept for the registration thereof, with full power  
of substitution in the premises.

**DATED:**

---

**NOTICE:** The signature to this assignment must  
correspond with the name as it appears on  
the face of the within bond in every  
particular, without alteration or enlargement  
or any change whatever.

**SIGNATURE GUARANTEED  
MEDALLION GUARANTEED**

---

Authorized Signature  
(Signature Guarantee Program Name)

(Signature Guarantee must be a  
member of the Stock Exchanges  
Medallion Program or the  
New York Stock Exchange, Inc.  
Signature Program in accordance  
with Securities and Exchange  
Commission Rule 17Ad-15)

**[END OF FORM OF SERIES 2008A BOND]**

**WHEREAS**, all things necessary to make the Series 2008A Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special obligations of the Agency according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the installment purchase payments, revenues and receipts herein made to the payment of the principal of, redemption premium, if any, and interest on the Series 2008A Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Series 2008A Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:**

That the Agency in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Agency of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto Manufacturers and Traders Trust Company, as Trustee, and unto its respective successors in trust, and to their respective assigns, for the benefit of the Holders of the Bonds to the extent permitted by law, forever for the securing of the performance of the obligations of the Agency hereinafter set forth, the following:

## **GRANTING CLAUSES**

### **I**

All moneys and securities from time to time held by the Trustee under the terms of this Indenture including amounts set apart and transferred to the Project Fund, the Bond Fund, the Debt Service Reserve Fund, the Policy Payments Account or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from such funds in accordance with the provisions of the Installment Sale Agreement and this Indenture (and when so disbursed, such amounts shall automatically be released from the assignment, pledge, lien and security interest of this Indenture); provided, however, that the Policy Payments Account shall only be pledged for the benefit of the Holders of the 2008 Bonds, provided, further, however, there is expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund.

### **II**

All right, title and interest of the Agency in and to the Installment Sale Agreement, including all installment purchase payments, revenues and receipts payable or receivable thereunder, excluding, however, the Agency's Reserved Rights, which Reserved Rights may be

enforced by the Agency and/or the Trustee, jointly or severally; provided, however, that no exercise by the Agency of the Agency's Reserved Rights shall limit or restrict the rights of the Bond Insurer, the Trustee or the Bondholders to exercise their rights and remedies under the Security Documents.

### III

All right, title and interest of the Agency in and to the State Aid Revenues pursuant to the Syracuse Schools Act, subject, however, (i) to the right of the Agency or any other public entity to make any future pledges, of no greater priority than the pledge effected under this Indenture, of its respective right, title and interest in and to the State Aid Revenues pursuant to the Syracuse Schools Act, and (ii) to the right of the Agency to receive State Aid Revenues, for application in the priority set forth in Section 5.4 hereof, in satisfaction of the Agency's Reserved Rights (which Reserved Rights may be enforced by the Agency and/or the Trustee, jointly or severally).

### IV

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Agency or by any other person, firm or corporation with or without the consent of the Agency, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

Moneys held by the Depository Bank under the State Aid Trust Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund or the Debt Service Reserve Fund.

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others of the Bonds, except as otherwise expressly provided in this Indenture, provided, however, that if the Agency, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and any applicable redemption premium, of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof and shall make the payments into the Bond Fund as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee sufficient amounts, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.



**THIS INDENTURE FURTHER WITNESSETH** that, and it is expressly declared, all the Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Agency has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and owners, from time to time of the Bonds or any part thereof, as follows, that is to say:

**ARTICLE I**  
**DEFINITIONS**

**Section 1.1. Definitions.** Terms not otherwise defined herein shall have the same meanings as used in the Installment Sale Agreement, the State Aid Trust Agreement or in the Tax Compliance Certificate or in Appendix A attached hereto and made a part hereof.

**Section 1.2. Construction.** In this Indenture, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Indenture, refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of the execution and delivery of this Indenture.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(e) Whenever the Agency is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Agency contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Agency, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

(f) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the Trustee, the Bond Insurer, the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the Trustee, the Bond Insurer, the Bond Registrar, the School Parties, the Paying Agents and the Holders of the Bonds.

**ARTICLE II**

**AUTHORIZATION AND ISSUANCE OF BONDS**

**Section 2.1. Authorized Amount of Bonds; Pledge Effected by this Indenture.**

(a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the installment purchase payments, receipts and revenues derived from or in connection with the Facilities, including moneys which are required to be set apart, transferred and pledged to the Bond Fund, to the Debt Service Reserve Fund or to certain special funds (including the investments, if any, thereof) (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal or Redemption Price, if any, and interest on, the Bonds. The Rebate Fund (including amounts on deposit therein) shall not be subject to any assignment, pledge, lien or security interest in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special obligations of the Agency and shall be payable by the Agency as to the principal or Redemption Price, if any, of the Bonds, and interest on the Bonds only from the Funds, special funds and installment purchase payments, revenues and receipts pledged therefor. The Bonds are additionally secured by a pledge and assignment of substantially all of the Agency's right, title and interest in and to the Installment Sale Agreement, including the Installment Purchase Payments payable thereunder. The Bonds shall never constitute a debt of the State nor the City, and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Agency other than those pledged therefor.

**Section 2.2. Issuance and Terms of the Series 2008A Bonds.**

(a) The Series 2008A Bonds in the aggregate principal amount of \$47,290,000 shall be issued under and secured by this Indenture. The Series 2008A Bonds shall be issuable in fully registered form without coupons and shall be dated as provided in Section 3.1 hereof.

(b) The Series 2008A Bonds shall mature on the dates and in the aggregate principal amounts, and shall bear interest on the unpaid principal amount thereof at the respective rates per annum on the Interest Payment Dates, all as shown below:

| <b>Maturity Date</b> | <b>Principal Amount</b> | <b>Interest Rate</b> |
|----------------------|-------------------------|----------------------|
|----------------------|-------------------------|----------------------|

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2008A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) The Series 2008A Bonds shall be numbered from R-1 upward in consecutive numerical order. Series 2008A Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(d) The principal or Redemption Price of the Series 2008A Bonds shall be payable at the corporate trust office of the Trustee at Manufacturers and Traders Trust Company, Buffalo, New York, as Paying Agent, or at the corporate trust office of any successor Paying Agent.

(e) Interest on the Series 2008A Bonds shall be payable to the Person appearing on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date (1) by check or draft mailed on the Interest Payment Date to the registered owner or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in aggregate principal amount of Series 2008A Bonds upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request shall remain in effect until revoked); except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Series 2008A Bonds are registered at the close of business on a special record date to be fixed by the Trustee (the "*Special Record Date*") which date shall be not more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Notice of the payment of such defaulted interest and the Special Record Date so fixed will be mailed by the Trustee to each owner of the Series 2008A Bonds not less than ten (10) days prior to the Special Record Date. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

(f) Each Series 2008A Bond shall bear interest from the Bond Date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Series 2008A Bonds, such Series 2008A Bond shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Series 2008A Bond shall bear interest from and including such Interest Payment Date.

(g) The Series 2008A Bonds are issuable in the form of fully registered bonds in the minimum denomination of \$5,000 or any integral multiple thereof.

(h) Anything in the Series 2008A Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Agency hereunder and under the Series 2008A Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2008A Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2008A Bond would be contrary to the provisions of law applicable to such Holder which

would limit the maximum rate of interest which may be charged or collected by such Holder of a Series 2008A Bond.

**Section 2.3. Redemption of Series 2008A Bonds.**

(a) *General Optional Redemption.* The Series 2008A Bonds maturing from May 1, 20\_\_ to and including May 1, 20\_\_ are not subject to optional redemption prior to the maturity thereof. The Series 2008A Bonds maturing on and after May 1, 20\_\_ shall be subject to redemption, in whole or in part at any time on or after May 1, 20\_\_ (but if in part in integral multiples of \$5,000), at the option of the Agency (which option shall be exercised upon the giving of notice by an Authorized Representative of the City of its intention to prepay Base Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

(b) *Mandatory Redemption.* The Series 2008A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2008 Project, or (ii) moneys are transferred to the Bond Fund pursuant to Article V hereof or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2008A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(c) Redemption of Series 2008A Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.3 hereof in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.3(a) hereof at such times as are permitted under such Section and in such principal amounts as the City shall request in a written notice to the Trustee in accordance with the Installment Sale Agreement.

(2) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.3(b) hereof on the dates specified therein, without the necessity of any instructions or further act of the School Parties.

(d) In the event of any redemption in part of the Series 2008A Bonds, in selecting Series 2008A Bonds for redemption, the Trustee shall treat each such Series 2008A Bond as representing that number of Series 2008A Bonds which is obtained by dividing the principal amount of such registered Bond by \$5,000 (referred to below as a "unit") rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2008A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2008A Bond shall forthwith surrender such Series 2008A Bond to the Trustee for (y) payment to such Holder of the Redemption Price of the unit or units of principal

amount called for redemption and (z) delivery to such Holder of a new Series 2008A Bond or Bonds in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2008A Bond. New Series 2008A Bonds of the same maturity representing the unredeemed balance of the principal amount of such Series 2008A Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2008A Bond of a denomination greater than \$5,000 shall fail to present such Series 2008A Bond to the Trustee for payment and exchange as aforesaid, such Series 2008A Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

**Section 2.4. Delivery of Series 2008A Bonds.** The Series 2008A Bonds shall be executed in the form and manner set forth in this Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Series 2008A Bonds including the interest, if any, accrued on the Series 2008A Bonds to the date of delivery, the Series 2008A Bonds shall be delivered by the Trustee on behalf of the Agency to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

- (a) a copy, duly certified by the Chairman, Vice Chairman or Secretary of the Agency, of the Bond Resolution;
- (b) an original executed counterpart of all Security Documents;
- (c) a written opinion by Hiscock & Barclay, LLP to the effect that the issuance of the Series 2008A Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and
- (d) the written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for delivery the Series 2008A Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Agency of the purchase price therein specified, plus accrued interest, if any.

**Section 2.5. Execution of Bonds.** The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chairman or Vice Chairman of the Agency, and the seal of the Agency shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary of the Agency. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Agency nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 2.6. Authentication.** Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Bond in the recitals of this Indenture, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

**Section 2.7. Additional Bonds.**

(a) So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing Facilities in connection with the Program, or (ii) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Base Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, (except in the case of Refunding Bonds (as defined herein)) the City, the SCSD and the Agency shall enter into an license agreement or lease agreement to grant an interest in he Facilities to the Agency unless the License shall then be in effect, and each of the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Base Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the Bonds, including such Series of Additional Bonds. In addition, each of the School Partics and the Agency shall enter into an amendment to the Tax Compliance Certificate.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary or Assistant Secretary of the Agency, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of

the Supplemental Indenture, the License and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License, as applicable, and sold under the Installment Sale Agreement, shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Bonds now being issued and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Tax Compliance Certificate and the Installment Sale Agreement continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) an amount for deposit in the Debt Service Reserve Fund so as to make the amount on deposit in such Fund equal to the Debt Service Reserve Requirement after taking into account the issuance of such Additional Bonds;

(6) an original, executed counterpart of the amendment, if any, to the Tax Compliance Certificate; and

(7) a written order to the Trustee executed by an Authorized Representative of the Agency to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

(c) (1) Upon the request of the JSCB, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund ("*Refunding Bonds*") all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.7 of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.2 hereof.



(2) Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.7(b) hereof, as may be applicable) of:

(A) Irrevocable instructions from the Agency to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.3 hereof to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Section 10.1 hereof, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in said Section 10.1.

(3) The City shall furnish to the Trustee and the Agency at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2008A Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) Notwithstanding anything herein to the contrary no Series of Additional Bonds shall be issued unless the State Aid Trust Agreement, the Tax Compliance Certificate and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default. Each Series of Additional Bonds shall be designated by name and by Series and shall have separate funds and accounts.

**Section 2.8. Limitation of Agency's Liability.** Anything in this Indenture, the Bonds, the Installment Sale Agreement or any other Project Document to the contrary notwithstanding, any obligations of the Agency under this Indenture or the Bonds or under the Installment Sale Agreement or under any other Project Document or related document for the payment of money shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be a special obligation of the Agency secured and payable solely as provided in this Indenture.

**Section 2.9. Book-Entry Bonds.**

(a) Except as provided in subsection (c) below, the Holder of all of the Series 2008A Bonds shall be DTC (the "*Securities Depository*") and the Series 2008A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Series 2008A Bond registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Series 2008A Bonds at the address indicated for Cede & Co. in the registration books of the Agency kept by the Trustee. It is anticipated that during the term of the Series 2008A Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, Redemption Price of and interest on the Series 2008A Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in paragraph (c) below.

(b) The Series 2008A Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity of the Series 2008A Bonds. Upon initial issuance, the ownership of such Series 2008A Bonds shall be registered in the registration books of the Agency kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Agency shall treat DTC (or its nominee) as the sole and exclusive Holder of the Series 2008A Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Series 2008A Bonds, selecting the Series 2008A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2008A Bonds under this Indenture, registering the transfer of Series 2008A Bonds, obtaining any consent or other action to be taken by Holders of the Series 2008A Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the School Parties, nor the Agency shall be affected by any notice to the contrary. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Agency shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2008A Bonds under or through DTC or any Participant, or any other Person which is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2008A Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2008A Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of, redemption premium, if any, and interest on the Series 2008A Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and

effective to fully satisfy and discharge the Agency's obligations with respect to the principal of, and redemption premium, if any, and interest on the Series 2008A Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Series 2008A Bond certificate evidencing the obligation of the Agency to make payments of principal of, and redemption premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Bonds, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Agency determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2008A Bond certificates, the Agency may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Series 2008A Bond certificates. In such event, the Trustee shall issue, transfer and exchange Series 2008A Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Series 2008A Bonds at any time by giving written notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Agency and the Trustee shall be obligated to deliver Series 2008A Bond certificates as described in this Indenture. In the event Series 2008A Bond certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, redemption premium, if any, and interest on such certificates. Whenever DTC requests the Agency and the Trustee to do so, the Agency will direct the Trustee (at the sole cost and expense of the SCSD) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2008A Bonds to any DTC Participant having Series 2008A Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2008A Bonds.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2008A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and redemption premium, if any, and interest on such Series 2008A Bond and all notices with respect to such Series 2008A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Security Document by the Agency or the Trustee with respect to any consent or other action to be taken by Bondholders, the Agency or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(f) NEITHER THE AGENCY, THE SCHOOL PARTIES NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE

ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2008A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2008A BONDS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2008A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE SERIES 2008A BONDHOLDERS OR REGISTERED HOLDERS OF THE SERIES 2008A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2008A BONDS.

(g) For so long as the Holder of all of the Series 2008A Bonds shall be DTC, and all Series 2008A Bonds shall be registered in the name of Cede & Co. as nominee for DTC, only DTC may tender Series 2008A Bonds upon redemption or retirement.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City, with the consent of the Agency, which shall not be unreasonably withheld, may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Series 2008A Bond or Bonds for cancellation shall cause the delivery of Series 2008A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**Section 2.10. Duties with Respect to the Bond Insurance Policy.** As long as the Bond Insurance Policy shall be in force and effect, the Trustee agrees to comply with the following procedures, and the registered owners of the Series 2008A Bonds irrevocably designate, appoint, direct and authorize the Trustee to act as attorney-in-fact for such owners in connection with the following procedures:

(a) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and shall remain Outstanding and continue to be due and owing until paid in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(b) Claims Upon the Insurance Policy and Payments by and to the Bond Insurer: If, on the third Business Day prior to the related scheduled interest payment date or

principal payment date (“*Payment Date*”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2008A Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “*Bond Insurer’s Fiscal Agent*”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2008A Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2008A Bonds and the amount required to pay principal of the Series 2008A Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(c) In the event the claim to be made is for a mandatory Sinking Fund Installment redemption, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Holders of Series 2008A Bonds who surrender their Series 2008A Bonds a new Series 2008A Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2008A Bond surrendered. The Trustee shall designate any portion of payment of principal on Series 2008A Bonds paid by the Bond Insurer, whether by virtue of mandatory Sinking Fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2008A Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2008A Bond to the Bond Insurer, registered in the name of \*\*, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Series 2008A Bond shall have no effect on the amount of principal or interest payable by the Agency on any Series 2008A Bond or the subrogation rights of the Bond Insurer.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2008A Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(e) Upon payment of a claim under the Bond Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of Holders of Series 2008A Bonds referred to herein as the “*Policy Payments Account*” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Holders of Series 2008A Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Holders of Series 2008A Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2008A Bonds under the sections hereof regarding payment of the Series 2008A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to

pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Indenture, and to the extent permitted by law, in the event amounts paid under the Bond Insurance Policy are applied to claims for payment of principal of or interest on the Series 2008A Bonds, interest on such principal of and interest on such Series 2008A Bonds shall, to the extent permitted by law, accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by **[JPMorgan Chase Bank]** or its successor at its principal office in The City of New York, as its prime or base lending rate plus three percent (3%) per annum, and (ii) the then applicable rate of interest on the Series 2008A Bonds provided that in no event shall such rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(f) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Series 2008A Bond payment date shall promptly be remitted to the Bond Insurer.

(g) The Bond Insurer shall, to the extent it makes any payment of principal of (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Series 2008A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. The obligations to the Bond Insurer shall survive discharge or termination of the Security Documents.

(h) The Bond Insurer shall be entitled to pay principal (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Series 2008A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Bond Insurance Policy), whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF BONDS

**Section 3.1. Date of Bonds.** The Series 2008A Bonds shall be dated their original date of issuance (subject to the provisions set forth below with respect to transfers and exchanges). Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; *provided that* if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

**Section 3.2. Form and Denominations.** Bonds shall be issued in fully registered form, without coupons, in the minimum denomination of \$5,000 and any integral multiple thereof not exceeding the aggregate principal amount of Bonds of the same series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.3 hereof, the Bonds shall be in substantially the form set forth in the recitals to this Indenture, with such variations, omissions and insertions as are permitted or required by this Indenture.

**Section 3.3. Legends.** Each Bond shall contain on the face thereof a statement to the effect that "THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK NOR OF CITY OF SYRACUSE, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR CITY OF SYRACUSE, NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY OTHER THAN THOSE PLEDGED THEREFOR." The Bonds may in addition contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Agency prior to the delivery thereof.

**Section 3.4. Medium of Payment.** The principal or Redemption Price, if any, of, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.2 hereof.

**Section 3.5. Bond Details.** Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, and interest at such place or places as shall be specified in this

Indenture. All Bonds of a Series maturing in any particular year shall bear interest at the same rate or rates per annum.

**Section 3.6. Interchangeability, Transfer and Registry.**

(a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Agency, which shall be kept for the purpose at the principal office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, upon presentation thereof together with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed. Upon the transfer of any Bond, the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

(b) Any Bond, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity of any other authorized denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(c) The Agency, the School Parties, the Bond Registrar, the Trustee and any Paying Agent shall deem and treat the Person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Agency, the School Parties, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

**Section 3.7. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the Agency shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and unpaid principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon



furnishing the Agency and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Agency) satisfactory to the Trustee and to the Agency and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Agency and the Trustee may incur. All Bonds so surrendered to the Trustee shall be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Agency whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Agency may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

**Section 3.8. Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

**Section 3.9. Requirements With Respect to Transfers.** In all cases in which the privilege of transferring Bonds is exercised, the Agency shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Agency or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

**Section 3.10. Bond Registrar.** The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the City and the SCSD for its inspection during normal business hours the registration books for the Bonds, as may be requested by the City and the SCSD in connection with any purchase or tender offer by one or both of them with respect to the Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

**Section 4.1. Application of Proceeds of Series 2008A Bonds.** Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2008A Bonds, including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(a) \$ \_\_\_\_\_ of the proceeds of the Series 2008A Bonds, representing capitalized interest, shall be deposited in the Interest Account of the Bond Fund;

(b) \$ \_\_\_\_\_ of the proceeds of the Series 2008A Bonds shall be deposited in the Debt Service Reserve Fund; and

(c) \$ \_\_\_\_\_, representing the balance of the proceeds of the Series 2008A Bonds minus the bond insurance premium of \$ \_\_\_\_\_ and the underwriters' discount of \$ \_\_\_\_\_ shall be deposited in the Project Fund.

## ARTICLE V

### CUSTODY AND INVESTMENT OF FUNDS

#### **Section 5.1. Creation of Funds and Accounts.**

(a) The Agency hereby establishes and creates the following special trust Funds and Accounts comprising such Funds:

- (1) Project Fund
- (2) Bond Fund
  - (A) Principal Account
  - (B) Interest Account
  - (C) Redemption Account
- (3) Debt Service Reserve Fund
- (4) Policy Payments Account
- (5) Rebate Fund

(b) All of the Funds and Accounts created hereunder shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, may be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of this Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien hereof.

(c) The amounts deposited in the Funds and Accounts created hereunder shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided herein.

#### **Section 5.2. Project Fund.**

(a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Sections 4.1 and 5.7 hereof or otherwise required to be deposited therein pursuant to the Installment Sale Agreement or this Indenture. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided herein. The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the School Parties or the Agency, of Project Costs.

(b) The Trustee is hereby authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB and approved by the City Engineer, *provided, however*, that for so long as an Event of Default shall exist, no such requisition shall be honored without the prior written consent of the Bond Insurer. Such requisition shall be as set forth in the Form of Requisition from the Project Fund attached and made a part of the Appendices hereto. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom including the date, dollar amount and description of each item for which a disbursement is made, and shall furnish copies of same to the Agency or the School Parties upon reasonable written request.

(c) The Trustee shall on written request furnish to the Agency and the School Parties within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(d) The completion of the Series 2008 Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB approved by the City Engineer in accordance with Section 3.1(j) of the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Certificate and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(e) In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Certificate and Section 5.11 hereof, shall be deposited in the Bond Fund for redemption of Bonds.

(f) All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Certificate and Section 5.11 hereof, shall be maintained within the Project Fund and made available for Project Costs.

(g) Upon the occurrence and during the continuance of an Event of Default, and the receipt by the Trustee of written direction from the Bond Insurer, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Certificate and Section 5.11 hereof, shall be deposited in the Bond Fund to be applied toward redemption of the Bonds.

(h) Proceeds of insurance, condemnation awards or conveyance of one or more of the Facilities in lieu of condemnation deposited in the Project Fund pursuant to Section 5.6 of the Installment Sale Agreement shall be disbursed in accordance with this

Section 5.2 to pay costs of replacement, repair, rebuilding or relocation of the Project Facility pursuant to Section 5.6 of the Installment Sale Agreement or transferred to the Bond Fund as provided herein if the Bonds are to be redeemed pursuant to Section 2.3(b) hereof.

**Section 5.3. Payments into Bond Fund.** On or before [November] 15 of each Fiscal Year (as defined in the State Aid Trust Agreement), commencing [November] 15, 2005, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (computed as of the immediately preceding last Business Day of [October] of such Fiscal Year) to the Depository Bank in accordance with Section 202(e) of the State Aid Trust Agreement. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds of the Series 2008A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1(a) hereof. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Trust Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of principal on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 hereof in respect of Base Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 hereof, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(i) or Section 5.5(d) hereof for the payment of interest of the Bonds,

which shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(g) Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(ii) hereof for the payment of principal on the Bonds, which shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(h) Moneys transferred by the Trustee from the Debt Service Reserve Fund pursuant to Section 5.5(c)(iii) hereof for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(i) The excess amounts referred to in the third sentence of Section 5.6(c) hereof, which shall be credited to the Interest Account of the Bond Fund.

(j) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(k) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Certificate and Section 5.11 hereof), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the Series 2008A Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the Series 2008A Bonds.

(l) All other receipts when and if required by the State Aid Trust Agreement, the Installment Sale Agreement, by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 hereof) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) hereof.

In the event that any Base Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

**Section 5.4. State Aid Intercept.** Pursuant to the Syracuse Schools Act, in the event the City or the SCSO shall fail (for any reason, including the failure of the State or appropriate legislative body of the City to appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other

failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Agency hereby irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in the appendices attached hereto) by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD such State Aid Revenues as are payable to the City for the benefit of the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such State Aid Revenues so withheld. All State Aid Revenues so received shall be applied, *first*, to deposit in the Debt Service Reserve Fund to the extent of any deficiency therein, *second*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fifth*, to satisfy any obligation of the SCSD under Section 4.03 of the Installment Sale Agreement, *sixth*, to satisfy any obligation of the JSCB or the SCSD under Section 5.05 of the Series 2008 Installment Sale Agreement, and *seventh*, to satisfy any other obligations of any of the School Parties under the Installment Sale Agreement.

The appointment by the Agency of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Agency may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee hereby accepts such agency and agrees so to act on behalf of the Agency. Notwithstanding anything to the contrary contained herein, any amounts of such State Aid Revenues received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such State Aid Revenues received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Agency.

The Agency covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of State Aid Revenues under the Syracuse Schools Act than the pledge effected pursuant to this Indenture; provided, however, that nothing contained in this Indenture shall be deemed (y) to limit or deny the ability of the Agency or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge State Aid Revenues under the Syracuse Schools Act on a parity with the pledge effected under this Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under this Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

**Section 5.5. Debt Service Reserve Fund.**

(a) Proceeds of the Series 2008A Bonds shall be deposited in the Debt Service Reserve Fund pursuant to Section 4.1(b) hereof. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Debt Service Reserve Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) There shall also be deposited in the Debt Service Reserve Fund moneys received (y) from the Depository Bank pursuant to Section 202(g)(ii) of the State Aid Trust Agreement, or (z) from the Trustee pursuant to Section 5.4 hercof or otherwise as provided in this Indenture.

(c) On the Business Day preceding each payment of Bond Service Charges to Holders of the Bonds, the Trustee shall transfer from the Debt Service Reserve Fund: (i) first, to the Interest Account of the Bond Fund, the amount by which the aggregate amount of interest to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Interest Account, (ii) second, to the Principal Account of the Bond Fund, the amount by which the aggregate amount of principal to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Principal Account, and (iii) third, to the Redemption Account of the Bond Fund for payment of sinking fund payments, the amount by which the aggregate Redemption Price to be paid to Bondholders on such succeeding Business Day exceeds the balance then on deposit in the Redemption Account. On or before November 10 of each Fiscal Year, commencing November 10, 2008, the Trustee shall deliver a Reserve Payment Certificate (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Collecting Officer, the Commissioner of Finance and the Depository Bank in accordance with Section 202(f) of the State Aid Trust Agreement.

(d) All earnings on amounts held in the Debt Service Reserve Fund, shall, (y) if prior to the completion of the Series 2008 Project, be transferred to the Project Fund and applied to the payment of Project Costs, or (z) if after the completion of the Series 2008 Project, be transferred to the Interest Account of the Bond Fund.

(e) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument in the Debt Service Reserve Fund in lieu of the deposit of moneys in such Fund.

**Section 5.6. Application of Bond Fund.**

(a) The Trustee shall (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds, and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender



of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

(c) Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than \$5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with Section 10.1 hereof) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.2 hereof. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

(d) Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

#### **Section 5.7. Investment of Funds and Accounts.**

(a) Amounts in the Bond Fund, the Debt Service Reserve Fund, the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments; provided, that, Qualified Investments in the Debt Service Reserve Fund shall not have a maturity date greater than ten (10) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the holder for the purposes required or permitted pursuant to the Indenture. Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the City. Any investment hereunder shall be made in accordance with the Tax Compliance Certificate, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall (y) in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable, and (z) in the case of the Debt

Service Reserve Fund, be credited and losses charged to such Fund, subject, however, to Section 5.5(d) hereof.

(b) Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Base Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such installment purchase payment and the amount then available in the Project Fund and in each Account of the Bond Fund.

(c) Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with this Section 5.7(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

(d) In the case of the Debt Service Reserve Fund, a "surplus" means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement. On the last Business Day of October of each year commencing October, 2008 and upon any withdrawal from the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in the Debt Service Reserve Fund. If on any such date a deficiency exists, the Trustee shall notify the City and the SCSD of such deficiency and that such deficiency must be replenished by the City and/or the SCSD as required by Section 4.1(b) of the Installment Sale Agreement. If a surplus exists, the Trustee shall notify the City and the SCSD thereof and, subject to the requirements of the Tax Compliance Certificate, shall promptly transfer an amount equal to such surplus to the Project Fund until the completion of the Project and thereafter shall transfer such amount to the Interest Account of the Bond Fund.

(e) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(f) Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by this Section 5.7 shall at all times be subject to the provisions of applicable law, as amended from time to time.

**Section 5.8. Moneys to Be Held in Trust.** All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien hereof. Moneys held by the Depository Bank under the State Aid Trust Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund or the Debt Service Reserve Fund in accordance with the State Aid Trust Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien hereof.

**Section 5.9. Repayment to the City for Benefit of SCSD from the Funds.** After payment in full of the Bonds (in accordance with Section 10.1 hereof) and the payment of all fees, charges and expenses of the Agency, the Trustee, the Bond Insurer, the Bond Registrar and the Paying Agents and all other amounts required to be paid hereunder and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to this Indenture and the Tax Compliance Certificate, all amounts remaining in the Project Fund, the Bond Fund and the Debt Service Reserve Fund shall be paid to the City for the benefit of the SCSD upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

**Section 5.10. Non-presentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Agency to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or the applicable statutory escheat period shall be paid to the City for the benefit of the SCSD. After the payment of such unclaimed moneys to the City, the Holder of such Bond shall thereafter look only to the City for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

**Section 5.11. Payments into Rebate Fund; Application of Rebate Fund.**

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

(b) The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Certificate, shall deposit in the Rebate Fund that amount from the Project Fund or the Debt Service Reserve Fund, to the extent available, as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Certificate.

(c) In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Amount as determined in accordance with the Tax Compliance Certificate, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it (i) to the Debt Service Reserve Fund to the extent of any deficiency therein, or (ii) to the Interest Account of the Bond Fund, as the City shall determine.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to such Series of Bonds as of the date of such payment and (ii) notwithstanding the provisions of Section 10.1 hereof, not later than thirty (30) days after the date on which all Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of payment.

(e) The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

## ARTICLE VI

### REDEMPTION OF BONDS

**Section 6.1. Privilege of Redemption and Redemption Price.** Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in Section 2.3 of this Indenture and in said Bonds.

**Section 6.2. Selection of Bonds to Be Redeemed.** In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of Series 2008A Bonds in accordance with Section 2.3(b) hereof, the Authorized Representative of the City shall select Series 2008A Bonds to be redeemed only (x) in inverse order of maturity, (y) proportionately to each Outstanding maturity of the Series 2008A Bonds, or (z) in such other order as the Bond Insurer shall consent in writing. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

**Section 6.3. Notice of Redemption.** When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Agency, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall

become due and payable upon each 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. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Agency, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to at least two (2) of the national information services that disseminate redemption notices. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion.

If notice of redemption shall have been given as aforesaid, the Bonds of such Series called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds of a Series, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds of such Series to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Agency shall not be required to redeem the Bonds of such Series. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Bonds of such Series so called for redemption at the place or places of payment, such Series of Bonds shall be redeemed.

#### **Section 6.4. Payment of Redeemed Bonds.**

(a) Notice having been given in the manner provided in Section 6.3 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under this Indenture, and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in Section 6.5 hereof; provided, however, that any Holder of at least \$1,000,000 in aggregate principal amount of Bonds may, by written request to the Trustee, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable in federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

**Section 6.5. Cancellation of Redeemed Bonds.**

(a) All Bonds redeemed in full under the provisions of this Article, or purchased in lieu of mandatory redemption, shall forthwith be cancelled and destroyed and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.2 hereof, the Agency shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

**Section 6.6 No Partial Redemption After Default.** Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption pursuant to Section 2.3(b) hereof unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of proceeds described in Section 2.3(b) hereof shall not have an adverse effect on the tax-exempt status of interest on the Series 2008A Bonds.

## ARTICLE VII

### PARTICULAR COVENANTS

**Section 7.1. Agency's Obligations Not to Create a Pecuniary Liability.** Each and every covenant herein made, including all covenants made in the various sections of this Article VII, is predicated upon the condition that any obligation for the payment of money incurred by the Agency shall not create a debt of the State nor the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor but shall be payable by the Agency solely from the Installment Purchase Payments pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Installment Sale Agreement, in this Indenture or in any other Project Document shall be considered as pledging any other funds or assets of the Agency.

**Section 7.2. Payment of Principal and Interest.** The Agency covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon or hereunder against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Agency other than those pledged therefor. The Agency shall not be required under this Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

**Section 7.3. Performance of Covenants; Authority.** The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Agency covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act and the Syracuse Schools Act, to issue the Bonds authorized hereby and to execute this Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly



and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Agency according to the import thereof.

**Section 7.4. Books and Records; Certificate as to Defaults.** The Agency and the Trustee each covenants and agrees that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Series 2008 Project and the Facilities, and that the School Parties and the Holders of any of the Bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Installment Sale Agreement is in full force and effect, records furnished by the Agency, the School Parties to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Agency's obligations under this Section 7.4. Within thirty (30) days after receiving the certificate from School Parties as provided in Section 7.16(a) of the Installment Sale Agreement, the Trustee shall render to the Agency and the City a statement that moneys received by the Trustee pursuant to the Installment Sale Agreement were applied by it to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture or the Installment Sale Agreement or any other Security Document or specifying the particulars of such known defaults which may exist.

**Section 7.5. The Installment Sale Agreement.** It is understood and agreed that the Agency's interest in the Facilities has been sold to the City and the SCSD under the Installment Sale Agreement. An executed copy of the Installment Sale Agreement will be on file in the office of the Agency and in the principal corporate trust office of the Trustee. Reference is hereby made to the Installment Sale Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the School Parties under the Installment Sale Agreement shall be enforceable either by the Agency or by the Trustee, to whom, in its own name or in the name of the Agency, is hereby granted the right, to the extent provided therefor in this Section 7.5 and subject to the provisions of Section 9.2 hereof, to enforce all rights of the Agency and all obligations of the School Parties under the Installment Sale Agreement, whether or not the Agency is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Installment Sale Agreement upon compliance or noncompliance by the School Parties and the Agency to the same.

**Section 7.6. Creation of Liens; Indebtedness; Sale of Facilities.** Except to the extent contemplated in the last paragraph of Section 5.4 hereof with respect to the issuance of Project Bonds under a Series Indenture other than this Indenture, the Agency shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by this Indenture and the Installment Sale Agreement. The Agency further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under this Indenture and the Installment Sale Agreement, so long as any of the Bonds are Outstanding. The Agency shall have no pecuniary liability for its covenants set forth in this Indenture, including under this Section 7.6.

**Section 7.7. Instruments of Further Assurance.** The Agency covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property described herein, subject to the liens, pledge and security interests of this Indenture and the Installment Purchase Payments pledged hereby to the payment of the principal or Redemption Price, if any, of, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien, pledge and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Agency or the Trustee, become and be subject to the liens, pledge and security interests of this Indenture as fully and completely as though specifically described herein and therein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Agency heretofore made by this Section 7.7.

**Section 7.8. Recording and Filing.** The Pledge and Assignment shall be recorded and filed by the Agency in the appropriate office of the Clerk of Onondaga County, New York or in such other office as may be at the time provided by law as the proper place for the recordation thereof. The security interest of the Trustee created by this Indenture in the property, rights and interests herein and therein described, shall be perfected by the filing by the Agency in the office of the Secretary of State of the State in the City of Albany, New York, and in the office of such Clerk, of financing statements which fully comply with the New York State Uniform Commercial Code-Secured Transactions. This Indenture and the Pledge and Assignment shall be re-recorded, re-filed and re-indexed at the written direction of the City whenever in the Opinion of Counsel such action is necessary to preserve the lien and security interest hereof; and in addition, such financing or continuation statements as in the Opinion of Counsel become necessary to preserve the lien and security interest of this Indenture shall be filed by the Trustee at the written direction of the City in said office of the Secretary of State and in the office of such Clerk. Any such re-recordings, re-indexings, filings or re-filings shall be prepared by the City and accompanied with any fees or requisite charges.

The Agency and the Trustee mutually covenant and agree to take such action (including, as applicable, the filing of all New York State Uniform Commercial Code-Secured Transactions financing statements and continuation statements thereof) in accordance with the aforesaid direction of the City as shall be necessary from time to time to preserve the priority of the pledge by the Indenture of the Trust Estate under applicable law. Any action taken by the Agency under this Section 7.8 shall be taken only upon the request of the Trustee and at no cost to the Agency.

All costs (including reasonable attorneys' fees) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the City and/or the SCSD.

**Section 7.9. Records Held by the Trustee.** Upon reasonable written request, the Trustee shall make available to the School Parties for its inspection during normal business hours, its records with respect to the Series 2008 Project and the Facilities.

**Section 7.10. Agency Tax Covenant.** The Agency covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Agency and the only remedy to which the Agency shall be subject shall be specific performance.

**Section 7.11. Annual Report of Trustee.** Within thirty (30) days after the end of each calendar year, the Trustee shall deliver to the Agency a statement of the payment status of the Bonds effective as of February 28 of the calendar year just ended, which statement shall include the then current principal balance of the Bonds, the interest rate accruing thereon, an amortization schedule for the repayment of the balance of the Bonds and such other information as the Agency may reasonably require.

**Section 7.12. Rights of the Bond Insurer.** The Agency and the Trustee hereby agree for the benefit of the Bond Insurer, that:

(a) to the extent the Bond Insurer makes payments under the Bond Insurance Policy on account of the principal or Redemption Price of, Sinking Fund Installments for, or interest on Series 2008A Bonds, the Bond Insurer will be subrogated to the rights of the Holders of the Series 2008A Bonds to receive the amount so paid, solely from the sources provided therefor in the Indenture,

(b) a notice that is required by the Indenture or any other of the Security Documents to be given to the Holders of the Series 2008A Bonds, shall also be given to the Bond Insurer,

(c) any provision of the Indenture or any other Security Document expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights or remedies of the Bond Insurer hereunder or thereunder without the prior written consent of the Bond Insurer,

(d) if the consent, approval or direction of the Holders of the Series 2008A Bonds shall be required in connection with any action to be taken under the Indenture or under any other Security Document, then, for so long as no Bond Insurer Disqualification Event shall exist, the Bond Insurer shall be entitled to deliver such consent, approval or direction on behalf of the Holders of the Series 2008A Bonds (except in connection with those matters referred to in Section 8.11 (with respect to waivers of any default in payment), Section 11.3(a)(i), (ii), (iii), (iv) or (v) hereof, or in Section 12.2(i) or (ii) hereof, with respect to which the consent of one hundred percent (100%) of the Holders of the Series 2008A Bonds, together with the consent of the Bond Insurer, shall be required), *provided, however*, that if a Bond Insurer Disqualification Event shall exist, the Bond Insurer shall nevertheless be able to exercise the rights of the Series 2008A Bonds which it owns (whether by subrogation or otherwise),

(e) if the consent, approval or direction of the Bond Insurer shall be required on its own behalf (as distinguished from a consent, approval or direction on behalf of the

Holders of the Series 2008A Bonds) in connection with any action to be taken under the Indenture or under any other Security Document, the consent, approval or direction of the Bond Insurer shall not be required for so long as a Bond Insurer Disqualification Event shall exist,

(f) to the extent that the principal or Redemption Price of, Sinking Fund Installments for, or interest on the Series 2008A Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, that portion of the Series 2008A Bonds so paid shall remain Outstanding for all purposes and not be considered defeased or otherwise satisfied and paid, and the Bond Insurer shall be deemed to be the Holder of the Series 2008A Bonds to the extent so paid,

(g) if the Bond Insurance Policy shall no longer be in effect, and all amounts owed to the Bond Insurer shall have been paid in full, all approvals, directions or consents of the Bond Insurer required under the Security Documents shall instead be delivered by the Holders of a majority in aggregate principal amount of the Series 2008A Bonds Outstanding,

(h) for so long as no Bond Insurer Disqualification Event shall exist, the Bond Insurer shall be deemed to be the sole Holder of the Series 2008A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or talking any other action that the Holders of the Series 2008A Bonds are entitled to take pursuant to this Indenture and the Related Security Documents pertaining to defaults and remedies or otherwise under Articles IX, XI and XII of the Indenture (subject in all events to the provisions of paragraph (iv) above),

(i) the rights granted to the Bond Insurer under the Indenture or any Related Security Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy; any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Holders of the Series 2008A Bonds nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Bond Insurer,

(j) amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and shall remain Outstanding and continue to be due and owing until paid by the Agency in accordance with the Indenture, and

(k) no contract shall be entered into nor any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Series 2008A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

**Section 7.13. Actions by the Trustee.** In the event a Bond Insurer Disqualification Event shall exist, the Trustee shall proceed to protect and enforce its rights and the rights of the

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Holders of the Series 2008A Bonds under the Bond Insurance Policy by such suits, actions or special proceedings in equity or at law, as the Trustee shall deem necessary and appropriate (subject, however, to the provisions of Section 9.2 hereof).

## ARTICLE VIII

### EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

#### Section 8.1. Events of Default; No Acceleration of Due Date.

(a) Each of the following events is hereby defined as and shall constitute an "Event of Default":

(1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Agency to observe or perform any covenant, condition or agreement in the Bonds or hereunder on its part to be performed (except as set forth in Section 8.1(a)(1) or (2) hereof) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Agency and the School Parties of written notice specifying the nature of such default from the Trustee, the Bond Insurer or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Agency or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; provided, however, that unless the Bond Insurer shall consent in writing to a longer period, it shall constitute an Event of Default under this paragraph (3) if such failure shall not be remedied within sixty (60) days after receipt by the Agency and the School Parties of the above written notice; and

(4) The occurrence of an "Event of Default" under Section 8.1(c) of the Installment Sale Agreement.

(b) In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) In determining whether any event constitutes an Event of Default under clauses (1) or (2) of Section 8.1(a) above, no effect shall be given to payments made under the Bond Insurance Policy.

## **Section 8.2. Enforcement of Remedies.**

(a) Subject to Section 8.1(a) hereof, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed (with the prior written consent of the Bond Insurer), and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding (with the prior written consent of the Bond Insurer) or the written direction of the Bond Insurer, shall proceed, to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Syracuse Schools Act, the Bonds, the Installment Sale Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or in the IDA Act or the Syracuse Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

(b) In the enforcement of any right or remedy under this Indenture, under any other Security Document, under the IDA Act or under the Syracuse Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Agency, for principal, interest, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Agency, but solely as provided in this Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Agency or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Bond Insurer or the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding (with the consent of the Bond Insurer), and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings

as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

**Section 8.3. Application of Revenues and Other Moneys After Default.**

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.4 hereof, as follows:

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

*Second:* To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this Section 8.3(a), *second*, to replenish any deficiency in the Debt Service Reserve Fund, *third*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Certificate, *fourth*, to satisfy any obligation of the SCSD under Section 4.3 of the Installment Sale Agreement, *fifth*, to satisfy any obligation of the JSCB and the SCSD under Section 5.5 of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing contained in this Section 8.3 shall be deemed to modify the application of State Aid Revenues pursuant to Section 5.4 hereof.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the



likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 8.4. Actions by Trustee.** All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.3 hereof, be for the equal benefit of the Holders of the Outstanding Bonds.

**Section 8.5. Bond Insurer or Majority Bondholders Control Proceedings.** The Bond Insurer, or, if a Bond Insurer Disqualification Event shall exist, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**Section 8.6. Individual Bondholder Action Restricted.**

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of this Indenture or of any other Security Document or the execution of any trust under this Indenture or for any remedy under this Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in this Article, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or in such other Security Document or by the IDA Act or the Syracuse Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and, subject to the provisions of Sections 8.3 and 8.5 hereof, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

(b) Nothing in this Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Agency to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

**Section 8.7. Effect of Discontinuance of Proceedings.** In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Agency, the Bond Insurer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

**Section 8.8. Remedies Not Exclusive.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

**Section 8.9. Delay or Omission.** No delay or omission of the Trustee, of the Bond Insurer or of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee, the Bond Insurer and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee, by the Bond Insurer or by the Bondholders.

**Section 8.10. Notice of Default.** The Trustee shall promptly mail to the Agency, to registered Holders of Bonds, to the Bond Insurer, and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

**Section 8.11. Waivers of Default.** The Trustee shall waive any default hereunder and its consequences only upon the written request of the Bond Insurer, or, if a Bond Insurer Disqualification Event shall exist, the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Agency, the Bond Insurer, the Trustee and the

Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

**ARTICLE IX**  
**TRUSTEE AND PAYING AGENTS**

**Section 9.1. Appointment and Acceptance of Duties.**

(a) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Installment Sale Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Installment Sale Agreement and each such other Security Document.

(b) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed as Paying Agent for the Bonds. The Agency may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.9 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Agency, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Agency for the payment of the principal or Redemption Price, if any, of, and interest on the Bonds.

**Section 9.2. Indemnity.** The Trustee shall be under no obligation to institute any suit, or to take any remedial action under this Indenture or under any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or gross negligence.

**Section 9.3. Responsibilities of Trustee.**

(a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Agency, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of any interest in or the value of the Facilities, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of this Indenture or any other document or instrument whatsoever except as otherwise provided in Section 7.8 hereof. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Agency and not by the Trustee, and the Trustee does not assume any responsibility for the

correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds.

(b) The Trustee shall not be liable or responsible because of the failure of the Agency to perform any act required of it by this Indenture or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depository other than itself in which such moneys shall have been deposited under this Indenture or the Tax Compliance Certificate. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Compliance Certificate or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Installment Sale Agreement, under this Indenture or the Tax Compliance Certificate or under any other Security Document except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Installment Sale Agreement or any other Security Document, (ii) an officer in the corporate trust department of the Trustee has actual knowledge thereof, or (iii) a Responsible Officer of the Trustee has received written notice thereof from the City and/or the SCSD, the Bond Insurer, the Agency or any Bondholder.

(d) The Trustee shall execute all instruments required by it by Section 7.8 hereof at the expense of the SCSD.

(e) The Trustee shall prepare and deliver to the Depository Bank each certificate required of the Trustee pursuant to Sections 202(e) and 202(f) of the State Aid Trust Agreement. The Trustee shall otherwise comply with and perform its obligations under the State Aid Trust Agreement.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.4 of this Indenture, make annual reports to the Agency, the Bond Insurer and the School Parties of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Installment Sale Agreement or this Indenture or under any other Security Document.

(g) In performing its duties and obligations under the Tax Compliance Certificate, the Trustee shall not be required to make any payment of a Rebate Amount or any transfer of funds or take any other action required to be taken thereunder except upon the receipt

of a written certificate of direction of an Authorized Representative of the City delivered to the Trustee in accordance with the terms of the Tax Compliance Certificate. Notwithstanding any provision of the Tax Compliance Certificate or any other Security Document, nothing in the Tax Compliance Certificate, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Compliance Certificate to effect compliance with the Code.

**Section 9.4. Compensation.** The Trustee, the Bond Registrar and the Paying Agents shall be entitled to receive and collect from the City and/or the SCSD as provided in the Installment Sale Agreement payment or reimbursement for reasonable fees for all services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or the Paying Agents in connection therewith. Upon and following an Event of Default, but only while there remains an Event of Default that has not been cured or waived, the Trustee, the Bond Registrar and the Paying Agents shall have a first right of payment prior to payment on account of the principal of or interest on any Bonds, upon the revenues (but not including any amounts derived from the Bond Insurance Policy or held by the Trustee under Sections 5.4, 10.1 or 13.2 hereof) for the foregoing advances, fees, costs and expenses incurred.

**Section 9.5. Evidence on Which Trustee May Act.**

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture (except for the Trustee's own willful misconduct, unlawful conduct or gross negligence), upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the City and/or the SCSD, and upon the written opinion of any attorney (who may be an attorney for the Agency or an employee of the City and/or the SCSD), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

**Section 9.6. Trustee and Paying Agents May Deal in Bonds.** Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

**Section 9.7. Resignation or Removal of Trustee.** The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Agency, to the Bond Insurer, to the School Parties and to the Holders of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Agency, the Bond Insurer and the School Parties. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.8 hereof.

**Section 9.8. Successor Trustee.**

(a) If at any time the Trustee shall resign or shall be removed effective prior to the appointment and acceptance of a successor Trustee, be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the School Parties shall cooperate with the Agency and the Agency shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Agency shall notify in writing the School Parties, the Bond Insurer and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Agency, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.8, within 120 days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Agency or any retiring Trustee or the School Parties may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by

law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall (y) have a capital stock and surplus aggregating not less than \$100,000,000, and (z) have an investment grade rating (y) if the Bonds are rated by Moody's, of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be otherwise acceptable to S&P. Any entity acting as successor Trustee shall also act as Depository Bank under the State Aid Trust Agreement.

(d) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Agency, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Agency, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Agency. Any successor Trustee shall promptly notify other Notice Parties of its appointment as Trustee.

(e) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

#### **Section 9.9. Resignation or Removal of Paying Agent; Successor.**

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' prior written notice to the other Notice Parties. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Agency. Any successor Paying Agent shall be appointed by the Agency, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least \$40,000,000, having an investment grade rating (y) if the Bonds are rated by Moody's of at least "Baa3" or "P-3" or be otherwise acceptable to Moody's, and (z) if the Bonds are rated by S&P, of at least "BBB-" or "A-3" or be otherwise acceptable to S&P, and willing and able to accept the office on



reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

#### **Section 9.10. Appointment of Co-Trustee.**

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any such documents on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee at the expense of the City and the SCSD. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Agency be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

**Section 9.11. Approvals or Consents by Trustee.** The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of the Bond Insurer, or, if a Bond Insurer Disqualification Event shall exist, the Holders of a majority in aggregate principal amount of the Bonds Outstanding.

**Section 9.12. Notice to Rating Agencies.** The Trustee shall provide the rating agencies, if the Bonds should be rated, with written notice, if possible, in advance or, if impossible, promptly following, the effective date of (i) the appointment of any successor Trustee, (ii) any amendments to the Security Documents, or (iii) the redemption in whole or other payment in full of the Bonds. The Trustee agrees to inform the rating agencies of the above as a matter of courtesy and accommodation. However, the Trustee shall have no liability or obligation to the rating agencies or to any other Person in the event that it should fail to furnish any such information.

**Section 9.13. Notice to the Bond Insurer.** The Trustee shall provide to the Bond Insurer:

(a) Notice of any draw upon the Debt Service Reserve Fund within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Series 2008A Bonds;

(b) Notice of any default known to the Trustee within five (5) Business Days after knowledge thereof;

(c) Prior notice of the advance refunding or redemption of any of the Series 2008A Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(d) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(e) Notice of the commencement of any proceeding by or against the Agency or any School Party commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "*Insolvency Proceeding*");

(f) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2008A Bonds;

(g) A full original transcript of all proceedings relating to the execution of any amendment or supplement to any Security Document; and

(h) All reports, notices and correspondence to be delivered to Holders of the Series 2008A Bonds under the terms of the Security Documents.

**Section 9.14. Trustee to Disregard Bond Insurance Policy.** In determining whether any amendment, consent or other action to be taken, or any failure to take action, under the Indenture or any other Security Document would adversely affect the security for the Series 2008A Bonds or the rights of the Holders of the Series 2008A Bonds, the Trustee shall consider the effect of any such amendment, consent, action or inaction as if there were no Bond Insurance Policy.

## ARTICLE X

### DISCHARGE OF INDENTURE

#### Section 10.1. Defeasance.

(a) If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Installment Sale Agreement, all amounts due or to become due to the Bond Insurer, and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Certificate or this Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Agency to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the SCSD or on its order all moneys or securities held by them pursuant to this Indenture which are not required (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Security Documents or (iii) for the payment of any amounts to the federal government under the Tax Compliance Certificate or this Indenture.

(b) Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice, and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

(c) Prior to any defeasance becoming effective as provided in Section 10.1(b) above, there shall have been delivered to the Agency and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Agency and the Trustee and, in the case of the Series 2008A Bonds, to the Bond Insurer, to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer "Outstanding" under the Indenture, (B) a verification report from an independent certified public accountant or firm of independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Agency and to the Trustee and, in the case of the Series 2008A Bonds, to the Bond Insurer) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable, (C) an escrow deposit agreement (reasonably acceptable to the Agency and the Trustee and, in the case of the Series 2008A Bonds, to the Bond Insurer), and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased. In the case of a defeasance in whole or in part of the Series 2008A Bonds, the Bond Insurer shall be provided with final drafts of the documentation referred to in this paragraph at least five (5) Business Days prior to the funding of the escrow.

No provision of this Section 10.1, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Sections 3.6, 3.7, 3.9 or 5.4 hereof until such Bonds shall have been paid in full.

## ARTICLE XI

### AMENDMENTS OF INDENTURE

**Section 11.1. Limitation on Modifications.** This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

**Section 11.2. Supplemental Indentures Without Bondholders' Consent.**

(a) The Agency and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders, but with the prior written consent of the Bond Insurer, for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in this Indenture or in any description of property subject to the lien hereof, if such action is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(3) To add to the covenants and agreements of the Agency in this Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(4) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of this Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.

(7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with this Indenture.

(8) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.

(10) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(11) To permit the appointment of a co-trustee under this Indenture.

(b) Before the Agency and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Notice of the proposed Supplemental Indenture shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

### **Section 11.3. Supplemental Indentures With Consent of Bondholders and Bond Insurer.**

(a) Subject to the terms and provisions contained in this Article, the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Agency and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of, (y) if such affected Series of Bonds shall be the Series 2008A Bonds, the Bond Insurer, or, if a Bond Insurer Disqualification Event shall exist, the Holders of a majority in aggregate principal amount of the Series 2008A Bonds Outstanding shall be required, or (z) if such affected Series of Bonds shall *not* be the Series 2008A Bonds, the Holders of a majority in aggregate principal amount of the Bonds Outstanding of such affected Series shall be required. Nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by this Indenture, except as provided in this Indenture with respect to Additional Bonds, (iii) a preference or priority of any

Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this Section 11.3(a), without, in the case of items (ii) through and including (v) of this Section 11.3(a), the written consents of the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Agency shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's, the Bond Insurer and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by the Bond Insurer and all Bondholders.

(c) Within one year after the date of such notice, the Agency and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and the Holders of not less than a majority or 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, (y) and the affected Series of Bonds shall be the Series 2008A Bonds, the Bond Insurer, or if a Bond Insurer Disqualification Event shall exist, the written consents of the Holders of a majority in aggregate principal amount of the Series 2008A Bonds Outstanding and (z) the affected Series of Bonds shall *not* be the Series 2008A Bonds, the written consents of the Holders of not less than a majority in aggregate principal amount of such affected Series of Bonds Outstanding) and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Agency in accordance with its terms. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with this Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds 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 Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

(d) If the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and the Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Agency from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Agency, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.

**Section 11.4. Supplemental Indenture Part of this Indenture.** Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Sections 11.2 or 11.3 hereof.

**Section 11.5. Rights of School Parties.** Anything herein to the contrary notwithstanding, any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

**Section 11.6. Consent of Bond Insurer.** Notwithstanding any other provisions of this Article XI, for so long as no Bond Insurer Disqualification Event shall exist, the consent of the Holders of the Series 2008A Bonds shall for all purposes of this Indenture be deemed to have been obtained when the consent of the Bond Insurer is obtained, except in those cases where approval of all Holders of the Series 2008A Bonds is required herein, in which case the consents of both the Holders of the Series 2008A Bonds and, for so long as no Bond Insurer Disqualification Event shall exist, the Bond Insurer, shall be required.



## ARTICLE XII

### AMENDMENTS OF RELATED SECURITY DOCUMENTS

**Section 12.1. Amendments of Related Security Documents Not Requiring Consent of Bondholders.** Subject to Section 12.2 hereof, the Agency and the Trustee may, without the consent of or notice to the Bondholders, but with the prior written consent of the Bond Insurer, consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Agency or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding. Notice of the propose amendment, change or modification to any of the Related Security Documents shall be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof.

**Section 12.2. Amendments of Related Security Documents Requiring Consent of the Bondholders and the Bond Insurer.** Except as provided in Section 12.1 hereof, the Agency and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) and the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as in Section 11.03 hereof set forth (or, if such amendment, change or modification shall only affect one Series of Bonds, and (y) the Series 2008A Bonds shall be the affected Series, the consent of the Bond Insurer, or, if a Bond Insurer Disqualification Event shall exist, the consent of the Holders of a majority in aggregate principal amount of the Series 2008A Bonds Outstanding, or (z) the Series 2008A Bonds shall not be the affected Series, the consent of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); provided, however, there shall be no amendment, change or modification to (i) the obligation of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), without the prior written approval of the Bond Insurer (for so long as no Bond Insurer Disqualification Event shall exist) *and* the Holders of one hundred percent

(100%) in aggregate principal amount of the Bonds at the time Outstanding given and procured as in Section 11.03 hereof provided (or, if such amendment, change or modification shall affect only one Series of Bonds, and (y) the Series 2008A Bonds shall be the affected Series, the consent of the Bond Insurer if a Bond Insurer Disqualification Event shall not exist, and the Holders of one hundred percent (100%) in aggregate principal amount of the Series 2008A Bonds Outstanding, or (z) the Series 2008A Bonds shall *not* be the affected Series, the consent of the Holders of 100% in aggregate principal amount of the affected Series of Bonds Outstanding), (ii) the obligation of the Bond Insurer to make payments under the Bond Insurance Policy without the prior written approval of the Holders of one hundred percent (100%) in aggregate principal amount of the Series 2008A Bonds Outstanding, or (iii) the Tax Compliance Certificate without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in Article XI hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by the Bond Insurer and all Bondholders. Notice of the proposed amendment, change or modification shall also be mailed, postage prepaid, to S&P and Moody's by the Trustee at least ten (10) days prior to the effective date thereof. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.

**Section 12.3. Consents of the Bond Insurer.** Notwithstanding any other provisions of this Article XII, for so long as no Bond Insurer Disqualification Event shall exist, any amendment, change or modification to a Related Security Document which shall require the consent of the Holders of the Series 2008A Bonds shall instead be deemed to require only the prior written consent of the Bond Insurer, except in the cases where approval of all Holders of the Series 2008A Bonds is required herein, in which case the consents of both the Holders of the Series 2008A Bonds and, for so long as no Bond Insurer Disqualification Event shall exist, the Bond Insurer, shall be required.

**ARTICLE XIII**  
**MISCELLANEOUS**

**Section 13.1. Evidence of Signature of Bondholders and Ownership of Bonds.**

(a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Except as otherwise provided in Section 11.3 hereof with respect to revocation of a consent, any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Agency or the Trustee or any Paying Agent in accordance therewith.

**Section 13.2. Moneys Held for Particular Bonds.** The amounts held by the Trustee or Paying Agents for the payment of the principal or Redemption Price, if any, of, and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, and subject to any rebate requirements as set forth in the Tax Compliance Certificate or this Indenture, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto. Such amounts so held shall be uninvested or, if invested, invested only in Defeasance Obligations, maturing within thirty (30) days.

**Section 13.3. Notices.** Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given

to or filed with the Agency, the School Parties, the Bond Insurer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid:

(a) To the Agency, to the City of Syracuse Industrial Development Agency, City Hall, Room 312, Syracuse, New York 13202, Attention: Chairman.

(b) To the Trustee or to the Depository Bank, to Manufacturers and Traders Trust Company, One M&T Plaza, 7th Floor, Buffalo, New York (14203), Attention: Corporate Trust Department.

(c) To the School Parties:

(i) in the case of the City, addressed to it to the attention of the Mayor, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202;

(ii) in the case of the SCSD, addressed to it to the attention of the SCSD's Superintendent, at \_\_\_\_\_, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; and

(iii) in the case of the JSCB, addressed to it to the attention of the Chairman, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202;

(d) To the Bond Insurer, to \*\*, Attention: \_\_\_\_\_, Re: Policy No. \_\_\_\_\_, Telephone: ( ) \_\_\_\_-\_\_\_\_, Telecopier: ( ) \_\_\_\_-\_\_\_\_; in each case in which notice or other communication refers to an Event of Default.

The Agency, the School Parties, the Bond Insurer and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices, demands, directions, certificates, Opinions of Counsel, requests, instruments or other communications hereunder shall be sent. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

**Section 13.4. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Agency, the School Parties, the Bond Insurer, the Trustee, the Paying Agents and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the School Parties, the Bond Insurer, the Trustee, the Paying Agents and the Holders of the Bonds.

**Section 13.5. Partial Invalidity.** In case any one or more of the provisions of this Indenture or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or

invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Agency contained in the Bonds or in this Indenture shall for any reason be held to be in violation of the law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Agency to the full extent permitted by law.

**Section 13.6. Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.7. Laws Governing Indenture.** The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

**Section 13.8. No Pecuniary Liability of Agency or Members.** No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Agency or the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Agency has not obligated itself except with respect to the Facilities and the application of the revenues, income and all other property therefrom, as hereinabove provided.

All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

**Section 13.9. Payments Due on Saturdays, Sundays and Holidays.** In any case where any payment date of principal and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

**Section 13.10. Priority of Indenture Over Liens.** This Indenture is given in order to secure funds to pay for costs of the Series 2008 Project and by reason thereof, it is intended that this Indenture shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon any of the Facilities subsequent to the recordation thereof. In compliance with Section 13 of the Lien Law, the Agency will receive the advances secured by this Indenture and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and that the Agency will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

**Section 13.11. Date for Reference Purposes Only.** The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was executed and delivered on the date of original issuance and delivery of the Series 2008A Bonds.

**IN WITNESS WHEREOF**, City of Syracuse Industrial Development Agency, Syracuse, New York, has caused these presents to be executed in its name and behalf by its Chairman or Vice Chairman, and, to evidence its acceptance of the trust hereby created, Manufacturers and Traders Trust Company has caused these presents to be signed in its name and behalf by an authorized representative and its corporate seal to be hereunto affixed, all as of the day and year first above written.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: (Vice) Chairman

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF NEW YORK    )  
                                  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_\_ day of February, in the year 2008, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC



STATE OF NEW YORK    )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of February, in the year 2008, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

## APPENDICES

## REQUISITION NO. 1

**TO:** Manufacturers and Traders Trust Company,  
as Trustee

**FROM:** Syracuse Joint School Construction Board

Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.1 of the Indenture of Trust dated as of February 1, 2008 (the "*Indenture*") between the City of Syracuse Industrial Development Agency (the "*Agency*") and yourself, a check or checks (or wire transfer or wire transfers) in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Installment Sale Agreement referred to in the Indenture.

I hereby certify that

1. I am an Authorized Representative of the JSCB;
2. the number of this Requisition is 1;
3. the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.2(b) of the Indenture and each such item has been properly paid or incurred as an item of Project Cost;
4. none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;
5. no portion of the proceeds of the Series 2008A Bonds will be applied to reimburse the School Parties for Project Costs paid more than sixty (60) days prior to \_\_\_\_\_, 20\_\_, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Series 2008A Bonds which were applied to finance certain preliminary expenses with respect to the Series 2008 Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing, bond costs of issuance and similar costs incurred prior to the commencement of construction or rehabilitation of the Series 2008 Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Series 2008 Project. No portion of the proceeds of the Series 2008A Bonds will be applied to reimburse the School Parties for a cost (other than preliminary expenditures) (y) more than eighteen (18) months after the date the original expenditure was paid, or (z) more than eighteen (18) months after the date the related Facility to which the cost relates was placed in service,

whichever is later. In no event shall the proceeds of the Series 2008A Bonds be applied to reimburse the School Parties for a Project Cost paid more than three (3) years after the original expenditure was paid, unless such cost is attributable to a preliminary expenditure, as described above;

6. the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;
7. each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;
8. unless the Bond Insurer shall otherwise consent to this Requisition, no Event of Default exists and is continuing under the Indenture or the Installment Sale Agreement or any other Security Document nor any condition, event or act which, with notice or lapse of time or both would constitute such an Event of Default;
9. I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment;
10. if the payment herein requested is a reimbursement to the School Parties for costs or expenses of the School Parties incurred by reason of work performed or supervised by officers or employees of the School Parties or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the School Parties and such costs or expenses will be treated by the School Parties on their books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;
11. if the payment herein requested is for an item of personalty, upon payment of the cost thereof such item of personalty will be subject to the Installment Sale Agreement and the Bill of Sale to Agency.
12. such item of cost for which payment is herein requested is chargeable to the capital account of the Series 2008 Project for federal income tax purposes, or would be so chargeable either with an election by the School Parties or but for the election of the School Parties to deduct the amount of such item;
13. each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Compliance Certificate; and
14. each item for which payment under this Requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than ninety-five percent (95%) of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in Section 167 of the Code.

The payees authorized to receive amounts under this Requisition will submit to you, under separate cover, bills, invoices, or other documents evidencing and supporting this Requisition, upon which you are entitled to rely, provided the amounts requested in such bills, invoices, or other documents are no greater than those amounts listed for those payees in Schedule A to this Requisition. Such bills, invoices, or other documents will also indicate a method of payment for each payee, and you are authorized to provide payment by such listed method of payment.

**DATED:**

**SYRACUSE JOINT SCHOOL  
CONSTRUCTION BOARD**

By: \_\_\_\_\_  
Authorized Representative

**APPROVED:**

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
City Engineer

Date: \_\_\_\_\_

SCHEDULE A TO REQUISITION NO. \_\_\_\_\_

**Amount**

**Payee (with Address)**

**Purpose**

[Form of Notice to State Comptroller]

Letterhead of Trustee

(Date)

Office of New York State Comptroller  
110 State Street  
Albany, New York 12236  
Attention: Director of Accounting Operations

Re: City of Syracuse Industrial Development Agency (the "Agency")  
\$47,290,000 School Facility Revenue Bonds  
(Syracuse City School District Project),  
Series 2008A (the "Series 2008A Bonds")

Dear \_\_\_\_\_:

The undersigned is the Trustee for the Series 2008A Bonds issued on February \_\_, 2008 pursuant to the terms of an Indenture of Trust (Series 2008 Project) dated as of February 1, 2008 between the Agency and the Trustee (the "Series 2008A Indenture").

The City of Syracuse (the "City") and the City School District of the City of Syracuse (the "School District") have failed to make a payment in the amount of \$\_\_\_\_\_ (the "Deficiency") under a certain Installment Sale Agreement (Series 2008 Project) dated as of February 1, 2008 among the Agency, the City, the Syracuse Joint School Construction Board and the School District (the "Installment Sale Agreement"), and, pursuant to the authority of Chapter 58 Part 4-A of the Laws of the State of New York, and Section 5.4 of the Series 2008A Indenture (a copy of which is attached), you are hereby directed to withhold State Aid Revenues from the School District in the amount of the Deficiency and pay over the same to the undersigned.

**MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Trustee**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**{Copy of Section 5.4}**



## APPENDIX A

Act or IDA Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 641 of the 1979 Laws of New York, as amended.

Additional Bonds shall mean one or more series of additional bonds issued, executed, authenticated and delivered under this Indenture.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (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 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.

Bankruptcy Code shall mean Title 11 of the United States Code, as it is amended from time to time.

Base Facilities Agreement Payment Certificate shall have the meaning ascribed thereto in the State Aid Trust Agreement.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

Beneficial Ownership Interest shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of this Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Insurance Policy shall mean the municipal bond insurance policy relating to the Series 2008A Bonds issued by the Bond Insurer to the Trustee concurrently with the original issuance of the Series 2008A Bonds insuring the scheduled payment when due of the principal of and interest and Sinking Fund Installments on the Series 2008A Bonds as provided therein.

Bond Insurer shall mean \*\*, a New York State insurance company, or any successor thereto or assignee thereof of the Bond Insurance Policy relating to the Series 2008A Bonds.

Bond Insurer Disqualification Event shall mean any of the following events or circumstances:

(a) the Bond Insurer has failed to pay or has wrongfully dishonored any amount under the Bond Insurance Policy;

(b) the Bond Insurance Policy shall at any time for any reason be determined under applicable law, by a court of final competent jurisdiction, to be null and void and not valid and binding on the Bond Insurer or the validity or enforceability thereof is being contested by the Bond Insurer or by any governmental agency or authority which has taken control of the assets of the Bond Insurer in any bankruptcy, insolvency or similar proceedings and which shall be authorized under applicable law to so act on behalf of the Bond Insurer;

(c) the Bond Insurer is temporarily restrained from making a payment under the Bond Insurance Policy by court order or by action of any governmental or quasi-governmental body; or

(d) the Bond Insurance Policy is no longer in effect.

Bond Resolution shall mean the resolution of the Agency adopted on February \_\_, 2008, authorizing the Series 2008 Project and the issuance of the Series 2008A Bonds.

Bond Service Charges shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

Bonds shall mean the Series 2008A Bonds and any Additional Bonds.

Bond Year shall mean each period of twelve (12) months commencing on [July] 2 and ending on the succeeding [July] 1.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

Cede & Co. shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

City Engineer shall have the meaning ascribed thereto in the Installment Sale Agreement.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Collecting Officer shall have the meaning ascribed thereto in the State Aid Trust Agreement.

Commissioner of Finance shall have the meaning ascribed thereto in the State Aid Trust Agreement.

Costs of Issuance shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter's spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter's counsel, Trustee's counsel, Agency's counsel, counsel to each of the School Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant's fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees (including the fees of the Bond Insurer) and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

Debt Service Reserve Deficiency shall mean the excess, if any, of the Debt Service Reserve Requirement over the amount on deposit in the Debt Service Reserve Fund.

Debt Service Reserve Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Debt Service Reserve Requirement shall mean an amount not to exceed the lesser of (i) the maximum amount of principal and interest scheduled to be paid in the current Bond Year or in any future Bond Year on Bonds issued and Outstanding under the Indenture, (ii) 125% of average annual debt service on the Bonds Outstanding, or (iii) 10% of the Bond Proceeds (face amount of the Bonds plus accrued interest and premium less original issue discount).

Defeasance Obligations shall mean only (1) cash, (2) non-callable direct obligations of the United States of America ("*Treasuries*"), (3) evidences of ownership of proportionate

interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Depository Bank shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Trust Agreement, and shall include its successors and assigns in such capacity.

DTC shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

Event of Default shall have the meaning specified in Section 8.1 of this Indenture.

Indenture shall mean this Indenture of Trust (Series 2008 Project), as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of this Indenture.

Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of even date herewith, among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Interest Payment Date shall mean, with respect to the Series 2008A Bonds, May 1 and November 1 of each year, commencing May 1, 2008, and the maturity date of the Series 2008A Bonds.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean Hiscock & Barclay, LLP or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Notice Parties shall mean the Agency, the Bond Insurer, the School Parties, the Paying Agent and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security

Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under this Indenture, except:

(a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under this Indenture for cancellation;

(b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of this Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 hereof, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in this Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of this Indenture,

*provided, however*, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to this Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

Policy Payments Account shall mean the special trust account established for the benefit of the Holders of the Series 2008A Bonds pursuant to Section 2.10 of this Indenture.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Project Bonds shall have the meaning ascribed thereto in the Installment Sale Agreement.

Project Costs shall mean, together with any other proper item of cost not specifically mentioned herein but authorized pursuant to the IDA Act or the Syracuse Schools Act, the cost of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified herein as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("*United States Treasury Obligations*"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are *not* backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)  
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)  
Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)  
Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)  
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)  
Senior debt obligations  
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)  
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)  
Debt obligations
- Resolution Funding Corporation (REFCORP)  
Debt obligations

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(f) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(g) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(h) "State Obligations," which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's *and* "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(1) the municipal obligations are (1) not subject to redemption prior to maturity, or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("*Verification*");

(4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Bond Insurer, provided that:



(1) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(2) The Trustee or a third party acting solely as agent therefor or for the Agency (the "*Holder of the Collateral*") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) All other requirements of S&P in respect of repurchase agreements shall be met.

(5) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Bond Insurer), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency, the Trustee and the Bond Insurer;

(5) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "*Holder of the Collateral*") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Agency or the Trustee (who shall give such direction if so directed by the Bond Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("*event of insolvency*"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(8) Any other investment as may be approved in writing by the Bond Insurer.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean S&P or Moody's and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

Rating Category shall mean one of the generic rating categories of either Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of this Indenture.

Record Date shall mean, with respect to the Series 2008A Bonds, the fifteenth (15<sup>th</sup>) day of the month immediately preceding an Interest Payment Date.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of this Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture.

Related Security Documents shall mean all Security Documents other than this Indenture.

Representation Letter shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

Reserved Rights shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified "project" as defined in and as contemplated by the IDA Act and the Syracuse Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Sections 2.01, 2.03, 3.01, 3.05, 3.06, 3.07, 3.08, 3.10, 4.03, 4.04, 4.05, 4.08, 4.09, 5.01, 5.02, 5.05, 6.12, 6.15, 7.03,

7.04, 7.05, 7.07, 7.08, 7.14, 7.16, 7.19, 8.01(b), 8.01(d), 8.02, 8.04, 8.07, 9.01, 10.08, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement; and

(g) the right of the Agency in its own behalf to enforce the Agency's Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in this Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

S&P shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Installment Sale Agreement, the Indenture, the Bond Insurance Policy and the Tax Compliance Certificate.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to this Indenture.

Series 2008A Bonds shall mean the Agency's \$47,290,000 Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, authorized, issued, executed, authenticated and delivered under this Indenture.

Special Record Date shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of this Indenture.

State shall mean the State of New York.

State Aid Revenues shall have the meaning ascribed thereto in the State Aid Trust Agreement.

State Aid Trust Agreement shall mean the State Aid Trust Agreement, dated as of even date herewith, among the SCSD, the Depository Bank, the City and the Trustee (and each other Series Trustee), and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of this Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of this Indenture.

Tax Compliance Certificate shall mean, with respect to a Series of Bonds, the Tax Compliance Certificate of the School Parties and the Agency relating to such Series of Bonds.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under this Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in this Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

## DESCRIPTION OF FACILITIES

Exhibit "B"

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

and

**CITY OF SYRACUSE**

and

**CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

and

**SYRACUSE JOINT SCHOOL CONSTRUCTION BOARD**

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**INSTALLMENT SALE AGREEMENT  
(SERIES 2008 PROJECT)**

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Dated as of March 1, 2008

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2008A

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## TABLE OF CONTENTS

|                    | Page   |
|--------------------|--|
| <b>ARTICLE I</b>   | <b>DEFINITIONS AND CONSTRUCTION..... 5</b>   |
| Section 1.1.       | Definitions..... 5   |
| Section 1.2.       | Construction..... 11   |
| <b>ARTICLE II</b>  | <b>SALE OF FACILITY; AGREEMENT TERM ..... 12</b>   |
| Section 2.1.       | Sale of the Facilities..... 12   |
| Section 2.2.       | Agreement Term ..... 12  |
| Section 2.3.       | Termination of License ..... 12  |
| <b>ARTICLE III</b> | <b>SERIES 2008 PROJECT AND ISSUANCE OF<br/>SERIES 2008A BONDS..... 14</b>  |
| Section 3.1.       | The Series 2008 Project ..... 14   |
| Section 3.2.       | Project Fund ..... 16  |
| Section 3.3.       | Cooperation in Furnishing Documents ..... 17   |
| Section 3.4.       | Default in Contractors' Performance ..... 17   |
| Section 3.5.       | Issuance of Bonds ..... 17   |
| Section 3.6.       | [Reserved] ..... 18  |
| Section 3.7.       | Expenses Chargeable to the JSCB ..... 18   |
| Section 3.8.       | Additional Facilities..... 18  |
| Section 3.9.       | Use of Series 2008A Bond Proceeds ..... 19   |
| Section 3.10.      | No Warranty of Condition or Suitability ..... 19   |
| <b>ARTICLE IV</b>  | <b>INSTALLMENT PURCHASE PAYMENTS AND OTHER<br/>PAYMENTS ..... 20</b>   |
| Section 4.1.       | Payment of Installment Purchase Payments ..... 20  |
| Section 4.2.       | Direction as to Payment of Installment Purchase Payments..... 20   |
| Section 4.3.       | Indemnification of the Agency and Trustee and Limitation on<br>Liability..... 20   |
| Section 4.4.       | Nature of Obligations of the City and SCSD..... 22   |
| Section 4.5.       | Directed State Aid Revenues ..... 24   |
| Section 4.6.       | Assignment of Installment Purchase Payments by the Agency..... 24  |
| Section 4.7.       | [Reserved] ..... 25  |
| Section 4.8.       | Compensation and Expenses of Trustee, Depository Bank,<br>Bond Insurer, Bond Registrar, Paying Agents and Agency..... 25 |
| Section 4.9.       | Net Agreement ..... 26   |
| <b>ARTICLE V</b>   | <b>OPERATION AND MAINTENANCE; INSURANCE;<br/>DAMAGE; DESTRUCTION AND CONDEMNATION..... 27</b>                            |
| Section 5.1.       | Operation, Maintenance and Repair ..... 27   |
| Section 5.2.       | Utilities, Taxes and Governmental Charges ..... 27   |
| Section 5.3.       | Additions, Enlargements and Improvements..... 27   |
| Section 5.4.       | Additional Rights of SCSD..... 28  |
| Section 5.5.       | Liability Insurance ..... 28   |

|                    |  |                                  |
|--------------------|--|----------------------------------|
| Section 5.6.       | Damage or Destruction .....                                    | 30                               |
| Section 5.7.       | Condemnation.....  | <b>Error! Bookmark not defin</b> |
| <b>ARTICLE VI</b>  | <b>REPRESENTATIONS AND WARRANTIES.....</b>                     | <b>32</b>                        |
| Section 6.1.       | Legal Entity.....  | 32                               |
| Section 6.2.       | Legal Authority.....   | 32                               |
| Section 6.3.       | Due Authorization.....   | 32                               |
| Section 6.4.       | Validity and Enforceability.....                               | 32                               |
| Section 6.5.       | No Conflict.....   | 32                               |
| Section 6.6.       | Consents and Approvals .....                                   | 32                               |
| Section 6.7.       | No Defaults .....  | 33                               |
| Section 6.8.       | No Litigation.....   | 33                               |
| Section 6.9.       | Essentiality of Series 2008 Project .....                      | 33                               |
| Section 6.10.      | Not Indebtedness of SCSD or City .....                         | 33                               |
| Section 6.11.      | Environmental Quality Review and Historic Preservation.....    | 33                               |
| Section 6.12.      | Compliance with the IDA Act and the Syracuse Schools Act.....  | 33                               |
| Section 6.13.      | Use of Bond Proceeds.....                                      | 33                               |
| Section 6.14.      | Governmental Approvals .....                                   | 34                               |
| Section 6.15.      | Interest of Agency.....  | 34                               |
| Section 6.16.      | JSCB .....   | 34                               |
| Section 6.17.      | Title to Facilities .....                                      | 34                               |
| Section 6.18.      | Legal Entity.....  | 34                               |
| Section 6.19.      | Legal Authority .....  | 34                               |
| Section 6.20.      | Due Authorization.....   | 34                               |
| Section 6.21.      | Validity and Enforceability.....                               | 34                               |
| Section 6.22.      | No Conflict.....   | 35                               |
| Section 6.23.      | Consents and Approvals .....                                   | 35                               |
| Section 6.24.      | No Defaults .....  | 35                               |
| Section 6.25.      | No Litigation.....   | 35                               |
| Section 6.26.      | Environmental Quality Review and Historic Preservation.....    | 35                               |
| Section 6.27.      | Use of Bond Proceeds.....                                      | 35                               |
| Section 6.28.      | Governmental Approvals .....                                   | 36                               |
| Section 6.29.      | Agency Authorization.....                                      | 36                               |
| Section 6.30.      | Determination of Public Purpose .....                          | 36                               |
| <b>ARTICLE VII</b> | <b>SPECIAL COVENANTS .....</b>                                 | <b>37</b>                        |
| Section 7.1.       | SCSD's Right to Possession .....                               | 37                               |
| Section 7.2.       | [Reserved].....  | 37                               |
| Section 7.3.       | Compliance With Laws and Regulations.....                      | 37                               |
| Section 7.4.       | Covenant Against Waste.....                                    | 37                               |
| Section 7.5.       | Right of Inspection.....                                       | 37                               |
| Section 7.6.       | Condition of Facilities.....                                   | 37                               |
| Section 7.7.       | Assignment and Sale by the SCSD.....                           | 37                               |
| Section 7.8.       | Use of the Facilities .....                                    | 38                               |
| Section 7.9.       | Reserved.....  | 38                               |
| Section 7.10.      | Compliance With Laws.....                                      | 38                               |
| Section 7.11.      | Covenant Not to Affect the Tax-Exempt Status of the Bonds..... | 38                               |

|                     |  |           |
|---------------------|--|-----------|
| Section 7.12.       | Covenants as to State Aid Trust Agreement.....           | 38        |
| Section 7.13.       | Filings .....  | 38        |
| Section 7.14.       | Equal Employment Opportunities.....                      | 38        |
| Section 7.15.       | Release of Facilities .....                              | 39        |
| Section 7.16.       | No-Default Certificates.....                             | 39        |
| Section 7.17.       | Further Assurances.....                                  | 40        |
| Section 7.18.       | Recording and Filing.....                                | 40        |
| Section 7.19.       | Furnishing of Information.....                           | 40        |
| Section 7.20.       | Use of Bond Proceeds.....                                | 40        |
| Section 7.21.       | Compliance With Requirements for State Aid Revenues..... | 40        |
| Section 7.22.       | No Impairment of Pledge of State Aid Revenues.....       | 41        |
| Section 7.23.       | Financial and Other Information to the Bond Insurer..... | 41        |
| <b>ARTICLE VIII</b> | <b>EVENTS OF DEFAULT AND REMEDIES .....</b>              | <b>42</b> |
| Section 8.1.        | Events of Default .....                                  | 42        |
| Section 8.2.        | Remedies.....  | 43        |
| Section 8.3.        | Cure.....  | 43        |
| Section 8.4.        | No Remedy Exclusive.....                                 | 44        |
| Section 8.5.        | Waiver and Non-Waiver .....                              | 44        |
| Section 8.6.        | Effect on Discontinuance of Proceedings .....            | 44        |
| Section 8.7.        | Agreement to Pay Attorneys' Fees and Expenses .....      | 44        |
| <b>ARTICLE IX</b>   | <b>LIMITATIONS ON TERMINATION OF AGREEMENT .....</b>     | <b>45</b> |
| Section 9.1.        | Limitations on Termination of Agreement .....            | 45        |
| <b>ARTICLE X</b>    | <b>MISCELLANEOUS .....</b>                               | <b>45</b> |
| Section 10.1.       | [Reserved].....  | 45        |
| Section 10.2.       | Successors and Assigns.....                              | 45        |
| Section 10.3.       | Severability .....                                       | 45        |
| Section 10.4.       | Amendments, Changes and Modifications .....              | 45        |
| Section 10.5.       | Amounts Remaining Under the Indenture .....              | 45        |
| Section 10.6.       | Compliance with Indenture.....                           | 45        |
| Section 10.7.       | Investment of Moneys.....                                | 46        |
| Section 10.8.       | Disclaimer of Personal Liability .....                   | 46        |
| Section 10.9.       | Effective Date; Counterparts.....                        | 46        |
| Section 10.10.      | Headings .....   | 46        |
| Section 10.11.      | Notices .....  | 46        |
| Section 10.12.      | Prior Agreements Superseded.....                         | 47        |
| Section 10.13.      | Governing Laws.....                                      | 47        |
| Section 10.14.      | Binding Effect.....                                      | 47        |
| Section 10.15.      | Investment of Funds.....                                 | 47        |
| Section 10.16.      | Waiver of Trial by Jury.....                             | 47        |
| Section 10.17.      | Non-Discrimination .....                                 | 47        |
| Section 10.18.      | Limitation on Liability of the Agency or the State ..... | 48        |
| Section 10.19.      | Date of Agreement for Reference Purposes Only.....       | 48        |

**INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)**

**THIS INSTALLMENT SALE AGREEMENT (SERIES 2008 PROJECT)**, made and entered into as of March 1, 2008 (this "*Agreement*"), by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "*Agency*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY OF SYRACUSE**, a municipal corporation of the State of New York (the "*City*"), having its principal office at City Hall, Syracuse, New York 13202, **CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**, a school district of the State of New York, acting by and through its Board of Education ("*SCSD*"), having its principal office at \_\_\_\_\_, Syracuse, New York, and **SYRACUSE JOINT SCHOOL CONSTRUCTION BOARD**, on behalf of itself, the City and the SCSD, established pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State of New York and an intermunicipal agreement dated as of April 1, 2004, between the City and SCSD ("*JSCB*"), having its principal office at City Hall, Syracuse, New York 13202:

**WITNESSETH:**

**WHEREAS**, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the "*State*") and to improve their prosperity and standard of living; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Enabling Act, the Agency was established by Chapter 641 of the 1979 Laws of New York, as amended (together with the Enabling Act, the "*IDA Act*"), for the benefit of City and the inhabitants thereof; and

**WHEREAS**, the Legislature of the State has determined that many of the existing school buildings of the SCSD are in need of substantial rehabilitation and reconstruction in order to improve the quality of education in the City; and

**WHEREAS**, pursuant to Chapter 5 Part A-4 of the Laws of 2006 of the State (the "*Syracuse Schools Act*"), the City and the SCSD entered into an intermunicipal agreement dated as of April 1, 2004, pursuant to the General Municipal Law of the State and the charter of the City and established the JSCB to act as agent of the City, the SCSD or both to enter into

contracts with respect to a project as defined in and undertaken pursuant to the Syracuse Schools Act (as so defined, a "Project"); and

**WHEREAS**, the Legislature has further determined that proper educational facilities are necessary to provide a trained work force for commerce and industry in the City and thereby promote economically sound commerce and industry for the benefit of the City and its inhabitants; and

**WHEREAS**, pursuant to the Syracuse Schools Act, a Project undertaken pursuant to the Syracuse Schools Act has been determined to be a qualified "project" under the IDA Act, which the Agency may finance and in which it may have a leasehold or license interest; and

**WHEREAS**, to accomplish the purposes of the IDA Act, the Agency has entered into negotiations and has received a proper application from the JSCB, acting on behalf of the SCSD and the City, for the first phase of the Projects (the "*Series 2008 Project*") to be undertaken pursuant to the Comprehensive Syracuse District-Wide Reconstruction Master Plan of the SCSD's public schools (the "*Program*"), to induce the Agency to (a) acquire an interest in and (b) undertake (i) the rehabilitation and/or reconstruction of certain existing public schools (including additions to an existing school building and construction or reconstruction of athletic fields, playgrounds and other recreational facilities for such existing school buildings and/or the acquisition and installation of all Equipment (as defined herein) necessary and attendant to and for the use of such existing school building) of the City and the SCSD located within the City (collectively, the "*Facilities*"), at the sites listed in Exhibit A attached hereto and made a part hereof, and (ii) the financing thereof; and

**WHEREAS**, the Agency has determined that the financing of the costs of the Series 2008 Project will assist the SCSD and the City in improving the quality of education in the City and thereby effectuate its public purposes for the benefit of the inhabitants of the City; and

**WHEREAS**, as a result of such negotiations, the JSCB has requested the Agency to issue its revenue bonds from time to time in one or more Series through multiple indentures of trust in an aggregate principal amount not to exceed \$180,000,000 to effect such financing; and

**WHEREAS**, the Agency adopted a resolution on March 4, 2008, authorizing the issuance of its revenue bonds to effect the financing of the Facilities, the acceptance of a license and bill of sale in and to the Facilities by the Agency from the City and the SCSD, the appointment of the JSCB as agent of the Agency to complete the Series 2008 Project and the sale of the Agency's interests in and to the Facilities pursuant to this Agreement to the City and the SCSD; and

**WHEREAS**, in order to finance a portion of the costs of the Facilities, in furtherance of the Program and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Series 2008A Bonds described herein, the Agency has authorized the issuance of its School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A in the aggregate principal amount of \$47,290,000 (the "*Series 2008A Bonds*"), pursuant to the IDA Act, the Syracuse Schools Act, a resolution of the members of the Agency

adopted on March \_\_, 2008 and an Indenture of Trust (Series 2008 Project), dated as of even date herewith (as the same may be amended or supplemented, the "*Indenture*"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"); and

**WHEREAS**, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "*Bond Insurance Policy*") will be issued by \*\* (the "*Bond Insurer*"), which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

**WHEREAS**, the City and the SCSD have granted to the Agency a license in and to the existing school buildings and existing school building sites comprising the Facilities and, pursuant to a bill of sale, conveyed their respective interests in the Equipment to the Agency; and

**WHEREAS**, the Agency will appoint the JSCB as its agent pursuant to this Agreement for the purpose of completing the Series 2008 Project; and

**WHEREAS**, the Agency will sell its interest in the Facilities to the City and the SCSD pursuant to this Agreement; and

**WHEREAS**, it is contemplated that the Agency or other public entity will issue additional series of its bonds from time to time under separate indentures of trust to finance all or a portion of the costs of additional public school facilities as part of the Program; and

**WHEREAS**, concurrently with the execution hereof, the SCSD and the City entered into an State Aid Trust Agreement, dated as of even date herewith (the "*State Aid Trust Agreement*"), with Manufacturers and Traders Trust Company, Buffalo, New York, acting as Depository Bank, and the Trustee, to provide for, among other things, the payment of all State Aid Revenues (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository Bank for periodic transfer to the Bond Fund and equivalent fund established under each Series Indenture (including the Indenture) toward payment of the Series 2008A Bonds and each other series of Project Bonds (as defined herein) issued under a Series Indenture, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund and equivalent fund, if any, established under a Series Indenture (including the Indenture), and the balance to the General Fund (also as defined therein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City or the SCSD shall fail to make a payment due under this Agreement or any other Series Facilities Agreement (as defined herein), the Agency (or the related Series Trustee acting on its behalf) shall so certify the amount not paid to the State Comptroller who shall thereupon withhold such amount from any state aid payable to the SCSD or the City for the SCSD and immediately pay over same to the Agency (or such related Series Trustee); and

**WHEREAS**, all events, conditions and actions necessary and required by the laws of the State of New York in connection with or which are conditions precedent to the due authorization, execution and delivery of this Agreement have happened, occurred and been taken by the Agency, the City, the SCSD and the JSCB;

**NOW, THEREFORE,** in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (*provided that* in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or a general obligation of the City, and the State of New York shall not be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under this Agreement).

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION

**Section 1.1. Definitions.** Terms not otherwise defined herein shall have the same meanings as used in the Indenture or the State Aid Trust Agreement hereinbelow defined. The following terms shall have the respective meanings in this Agreement:

Additional Facilities shall mean any public school buildings of the City and/or the SCSD as shall after the Closing Date become subject to a Series Facilities Agreement other than this Agreement; *provided, however*, that to the extent that only items of machinery, equipment, furniture, furnishings or fixtures located within a public school building owned by the City and/or the SCSD shall be financed in whole or in part from a Series of Project Bonds, then "Additional Facilities" shall mean only such items so financed and all replacements, repairs or additions thereto.

Additional Payments shall mean all amounts payable by the SCSD and/or the City under this Agreement, other than for Installment Purchase Payments.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Agreement shall mean this Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, among the Agency, the City, the SCSD and the JSCB, on behalf of itself, the City and the SCSD, and shall include any and all amendments and supplements hereto hereafter made in conformity herewith and with the Indenture.

Agreement Term shall mean the duration of this Agreement, as specified in Section 2.2 hereof.

Architect shall mean \_\_\_\_\_.

Authorized Representative shall mean (i) in the case of the Agency, the Chairman, Vice Chairman, or Secretary of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, (ii) in the case of the Program Manager, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Program Manager, or any officer or employee of the Program Manager authorized to perform specific acts or to discharge specific duties, (iii) in the case of the SCSD, the Superintendent of the SCSD, the President of the Board of Education of the SCSD or any other officer or employee of the SCSD authorized to so act, and (iv) in the case of the JSCB, the Chairperson or any other representative or agent authorized by the JSCB to so act; *provided, however*, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement, such certificate or



statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Base Installment Purchase Payments shall mean those installment purchase payments payable by the City and SCSD pursuant to Section 4.1(a) hereof.

Base Installment Purchase Payment Date shall mean, in the case of the Series 2008A Bonds, May 1 of each year commencing May 1, 2009, all as set forth in Schedule A to this Agreement.

Bill of Sale to Agency shall mean the Bill of Sale (Series 2008 Project) dated as of March 1, 2008 and delivered on the Closing Date from the SCSD and the City to the Agency conveying an interest in all items of Equipment.

Bill of Sale to City and SCSD shall mean the Bill of Sale (Series 2008 Project) from the Agency to the City and the SCSD conveying all of the Agency's interest in the Facility to the City and the SCSD, substantially in the form attached as Exhibit A to this Agreement.

Board of Education shall mean the Board of Education of the City School District of the City of Syracuse.

Bonds shall mean the Series 2008A Bonds and any Series of Additional Bonds issued under the Indenture.

Central Tech Project shall mean the construction of an addition to, and rehabilitation of, the Institute of Technology at Syracuse Central and the acquisition and installation therein of Equipment, the costs of which are being financed by the Series 2008A Bonds.

City shall mean the City of Syracuse, New York.

City Engineer shall mean the Person appointed by the Mayor pursuant to the City Charter as City Engineer.

Closing Date shall mean the date of the original issuance and delivery of the Series 2008A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Construction Contract shall mean one or more contracts procured by the JSCB on behalf of the City and the SCSD in consultation with the City Engineer and the Program Manager and in accordance with Section 103 of the New York General Municipal Law or the Syracuse Schools Act with contractors for the work and materials required to complete the Facilities.

County shall mean Onondaga County, New York.

Depository Bank shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Trust Agreement, and shall include its successors and assigns.

Design Phase shall mean the design and preparation of Plans and Specifications for the construction, reconstruction, rehabilitation and equipping of the Blodgett School, the Shea Middle School, the H.W. Smith Elementary School, the Clary Middle School, the Dr. Weeks Elementary School and the Fowler High School.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of even date herewith, from the SCSD and the City for the benefit of the Agency, as amended or supplemented.

Equipment shall mean all items of machinery, equipment, furniture, furnishings and fixtures necessary or attendant to the use of a Facility.

Event of Default or event of default shall mean an "event of default" described in Section 8.1 of this Agreement.

Event of Nonappropriation shall mean the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid hereunder, as a result of (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid hereunder or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid hereunder and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional Payments after appropriation by the City therefor.

Facility or Facilities shall mean, as applicable, each existing school building owned by the City and/or the SCSD and described in the Description of Facilities in Exhibit A attached hereto and made a part hereof, including the land upon which such school is located and all rights or interests therein or appertaining thereto, together with all structures, buildings, foundations, related facilities, fixtures and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 3.1 hereof and the Construction Contracts), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto, together with all items of Equipment located and used therein from time to time; *provided, however*, that (y) to the extent that only items of Equipment or fixtures located within an existing school building owned by the City and/or the SCSD shall be financed in whole or in part from the proceeds of the Series 2008A Bonds, then "Facility" shall mean only such items so financed and all replacements, repairs or additions thereto, and (z) to the extent that an item of property constituting a fixture located at an existing school building is financed in whole or in part from the proceeds of the Series 2008A Bonds, and such existing school building shall not otherwise itself be included within the Facilities subject to the License and this Agreement, then such fixture shall be deemed property severable from the

remainder of the existing school building and thereby subject to the License and to this Agreement.

Fiscal Year shall mean a year commencing on July 1 and ending on the next succeeding June 30.

Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of even date herewith, between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean, collectively, the Base Installment Purchase Payments and the Reserve Payments.

Intermunicipal Agreement shall mean the intermunicipal agreement dated as of April 1, 2004, between the City and SCSD, as amended or supplemented.

License shall mean the License Agreement (Series 2008 Project), dated as of even date herewith, between the City and the SCSD, as licensor, and the Agency, as licensee, with respect to the Facilities, as amended or supplemented.

Net Base Facilities Agreement Payment shall mean the Base Installment Purchase Payment as reduced by any credits from amounts available in the Bond Fund.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed on record which are being contested in good faith and have not proceeded to judgment;

(ii) the liens of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby any of the affected Facility or the interest of the City or the SCSD therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to any Facility which do not in the aggregate materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(v) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vi) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of a Facility which do not

materially impair the use of the affected Facility for the purposes for which it is or may reasonably be expected to be held;

(vii) any obligations or duties affecting any portion of a Facility of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(viii) present or future valid zoning laws or ordinances;

(ix) this Agreement, the Indenture and the License;

(x) the liens of any Series License, Series Facilities Agreement or Series Indenture;  
and

(xi) any other lien which, in the opinion of counsel to the City delivered and addressed to the Agency, the Bond Insurer and the Trustee, will not have a material adverse effect upon the obligations of the School Parties under this Agreement.

Plans and Specifications shall mean, as to a particular Facility, the plans and specifications for the construction, reconstruction, rehabilitation and/or equipping of such Facility, prepared by the Architect and approved by the City, the SCSD and the State Education Department, including site plans, as the same may be amended from time to time.

Program Manager means Gilbane Building Company, a \_\_\_\_\_.

Program Manager Agreement shall mean the Program Manager Agreement, dated December 5, 2007, between the JSCB, on its own behalf and as agent for the City and SCSD, and the Program Manager, pursuant to which the Program Manager has undertaken to manage the Series 2008 Project, as the same may be amended and supplemented from time to time in accordance therewith.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Documents shall mean, collectively, the Security Documents, the License, the Bill of Sale to Agency, the State Aid Trust Agreement, the Program Manager Agreement, the Intermunicipal Agreement and the Environmental Compliance Agreement.

Reserve Payments shall mean those payments payable by the City and SCSD pursuant to Section 4.1(b) hereof.

Reserved Rights shall have the meaning assigned to that term under the Indenture.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Series Facilities Agreement shall mean this Agreement and each other installment sale agreement or facilities lease agreement pursuant to which the Agency or other public entity shall sell, lease or sublease Additional Facilities to the City and the SCSD, appoint the JSCB as its agent for purposes of completion of such Additional Facilities, and the City and SCSD shall be obligated to make installment purchase payments or rental payments, as applicable, with respect to a Series of Project Bonds upon terms substantively comparable to that provided in Article IV of this Agreement.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a Series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series License shall mean the License and each other lease or license agreement by the City and/or the SCSD to the Agency or other public entity of Additional Facilities to be financed in whole or in part with a Series of Project Bonds.

Series 2008A Bonds shall mean the \$47,290,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A of the Agency issued, executed, authenticated and delivered under the Indenture.

Series 2008 Project shall mean the design, construction, rehabilitation, reconstruction and equipping of each Facility in accordance with the related Plans and Specifications and includes the Central Tech Project, the Design Phase and the construction, rehabilitation, reconstruction and equipping of the remaining Facilities.

Series Trustee shall mean the Trustee and each financial institution acting as Trustee under a Series Indenture (other than the Indenture).

State shall mean the State of New York.

State Aid Trust Agreement shall mean the State Aid Trust Agreement, dated as of even date herewith, among the SCSD, the City, the Depository Bank and the Trustee (and any Series Trustees), and shall include any and all further amendments or restatements thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Yield shall have the meaning set forth for such term in the Tax Compliance Certificate.

**Section 1.2. Construction.** In this Agreement, unless the context otherwise requires:

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Closing Date.

Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

## ARTICLE II

### SALE OF FACILITIES; AGREEMENT TERM

**Section 2.1. Sale of the Facilities.** The Agency hereby sells to the City and the SCSD, and the SCSD and the City hereby purchase from the Agency (both sale and purchase to be effective on the Closing Date), the Agency's interest in the existing school buildings and existing school building sites comprising the Facilities and the Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions herein set forth. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be maintained, occupied, used and operated, (a) in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the date hereof and (b) as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to this Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

**Section 2.2. Agreement Term.** The Agreement Term shall commence on March \_\_, 2008, and shall expire on midnight (New York City time) on May 1, 20\_\_ (but in no event sooner than the date upon which the Bonds shall cease to be Outstanding and the lien of the Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City hereunder have been paid in full. The Agency hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions herein set forth. The Agency makes no representations whatsoever in connection with the condition of any of the Facilities, and the Agency shall not be liable for any defects therein.

#### **Section 2.3. Termination of License.**

(a) The Agency's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Agency to the SCSD and the City upon the date of completion or abandonment of the Series 2008 Project as evidenced by the certificate of the JSCB delivered pursuant to Section 3.1(j) hereof.

(b) The sale and conveyance of the interest in and to the Facilities shall be effected by the delivery by the Agency to the SCSD and the City of the Notice of Termination of License to the SCSD and the City (in substantially the form attached hereto as Exhibit and by this reference made a part hereof) and the Bill of Sale to City and SCSD (in substantially the form attached hereto as Exhibit and by this reference made a part hereof).

(c) The SCSD and the City agree to prepare the Notice of Termination of License and Bill of Sale to City and SCSD and to forward same to the Agency at least thirty (30) days prior to the date that the Facilities or any portion thereof is to be conveyed to the SCSD and the City.

(d) Each of the SCSD and the City hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfer contemplated by this Section 2.3.

(e) This Agreement shall survive the transfer of the Agency's interest in the Facilities to the SCSD and the City pursuant to this Section 2.3 and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the obligations of the School Parties shall survive as set forth in Section 4.3 hereof.

(f) Upon the payment in full of all indebtedness under or secured by this Agreement or the other Project Documents, and notwithstanding the survival of certain obligations of the School Parties as described in Section 4.3 hereof, the Agency and the Trustee shall upon the request of the SCSD and the City execute and deliver to the SCSD and the City such documents as the SCSD and the City may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Agency and the Trustee under the Project Documents.



## ARTICLE III

### SERIES 2008 PROJECT AND ISSUANCE OF SERIES 2008A BONDS

#### Section 3.1. The Series 2008 Project.

(a) Pursuant to the License and the Bill of Sale to the Agency, respectively, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and title to the Equipment, which interest and title the Agency is hereby selling to the SCSD, subject to the terms and conditions herein set forth.

(b) As promptly as practicable after receipt of the proceeds of sale of the Series 2008A Bonds and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Agency to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Indenture. The JSCB reasonably believes that the Central Tech Project pursuant to the applicable Plans and Specifications will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Central Tech Project and the Design Phase to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted. The City and the SCSD agree that no delay in the completion of the Central Tech Project or the Design Phase shall be the basis for any diminution in or postponement of the amounts payable hereunder by the City and the SCSD. In order to effect management of such work, the JSCB has entered into the Program Manager Agreement and within thirty (30) days after the Closing Date will enter into one or more Construction Contracts for completion of the Central Tech Project in accordance with the applicable Plans and Specifications and construction schedule approved by the City and SCSD. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Agency shall expressly provide that the Agency shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds which may be available therefor. Within thirty (30) days after the Closing Date, the JSCB shall enter into contracts with one or more architects or engineers licensed in the State for completion of the Design Phase. The Agency shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the work with respect to the Central Tech Project or the Design Phase in full, none of the JSCB, the City or the SCSD shall be entitled to any reimbursement therefor from the Agency, the Bond Insurer, the Trustee or the Holders of any of the Series 2008A Bonds, nor shall the City and SCSD be entitled to any diminution of the Installment Purchase Payments or Additional Payments to be made under this Agreement.

(c) As between the Agency and the JSCB, the JSCB, acting specifically as agent for the benefit of the Agency, shall be responsible for the letting and supervision of contracts for the construction, rehabilitation, reconstruction and equipping of a Facility,

acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Agency.

(d) In order to accomplish the purposes of the Agency, and to assure the effectuation of the Series 2008 Project in conformity with the Plans and Specifications, the School Parties have undertaken to proceed with the design of the Central Tech Project, all either on their own or, in the case of the JSCB, as agent for the Agency.

(e) As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Agency pursuant to the License and Bill of Sale to Agency, the delivery of any instruments and documents and their filing and recording, if required, (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer, and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds.

(f) None of the School Parties will terminate the Intermunicipal Agreement or be excused from performing its obligations thereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement. The City and the SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be require to complete the Series 2008 Project. The City and SCSD acknowledge that pursuant to the Syracuse Schools Act, all contracts, agreements and obligations of the JSCB are entered into and made on behalf of the City and the SCSD and in the event that the JSCB shall cease to exist for any reason whatsoever during the term of this Agreement, this Agreement, the Program Manager Agreement and any other contract, agreement or obligation of the JSCB relating to the Facilities shall remain in full force and effect and the City and SCSD shall stand jointly in the place and stead of the JSCB thereunder.

(g) The JSCB covenants that, at all times as it shall be effecting the work of the Series 2008 Project, it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as provided in Section 5.5 of this Agreement. Upon completion of the work with respect to a Facility, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of such

Facility for the purposes contemplated by this Agreement and shall furnish copies of same to the Trustee immediately upon receipt thereof.

(h) The JSCB further covenants that all contracts entered into by the JSCB for the Series 2008 Project in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

(i) The JSCB covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Agency as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Agency appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

(j) Upon the completion or abandonment by the JSCB of the Series 2008 Project or any portion thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB approved by the City Engineer to the Agency and the Trustee to such effect.

(k) The City agrees to keep and make open to public inspection copies of all payment and performance bonds required by the Syracuse Schools Act and Section 3.1(h) hereof.

### **Section 3.2. Project Fund.**

(a) The Agency has in the Indenture authorized and directed the Trustee to make payments from the Project Fund from time to time to pay the cost of the construction, rehabilitation, reconstruction, and/or equipping of a Facility upon receipt of a requisition signed by an Authorized Representative of the JSCB, and approved by the City Engineer, in the form set forth in the Indenture, *provided, however*, that for so long as an Event of Default shall exist, no such requisition shall be honored without the prior written consent of the Bond Insurer.

(b) The date of completion of the work for a Facility shall be evidenced to the Agency and the Trustee by a certificate of the JSCB executed by an Authorized Representative of the JSCB and approved by the City Engineer stating, except for any costs not then due and

payable or the liability for payment of which is being contested or disputed in good faith by the JSCB (i) the date of completion of such work; (ii) that the related Facility has been completed substantially in accordance with the Plans and Specifications and all labor, services, Equipment, materials and supplies used therefor have been paid for; (iii) that all other facilities necessary in connection with such Facility have been completed and all costs and expenses incurred in connection therewith have been paid; (iv) that all property of such Facility is subject to this Agreement; (v) that, in accordance with all applicable laws, regulations, ordinances and guidelines, such Facility has been made ready for occupancy, use and operation for its intended purposes; (vi) the amount, if any, required in his opinion for the payment of any remaining part of the costs with respect to such Facility; and (vii) the amount of the proceeds of the Series 2008A Bonds, including the investment earnings thereon, expended with respect to such Facility. The foregoing certificate shall be accompanied by a certificate executed by an Authorized Representative of the City certifying as to the determination of the Rebate Amount as provided in the Tax Compliance Certificate and the Indenture. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Agency, the Trustee or the School Parties against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.2 of the Indenture, and (z) that no Person other than the Agency and the Trustee may benefit therefrom. Such certificate of the Authorized Representative of the JSCB shall be accompanied by (i) a temporary or permanent certificate of occupancy and any and all permissions, approvals, licenses or consents required of governmental authorities for the occupancy, operation and use of the completed Facility for the purposes contemplated by this Agreement and the Syracuse Schools Act; (ii) a certificate of the JSCB executed by an Authorized Representative of the JSCB and approved by the City Engineer that all costs of the completed Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with such Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute in excess of \$100,000, evidence to the Trustee that such costs have been appropriately bonded or that the JSCB shall have or caused to be posted a surety or security at least equal to the amount of such costs); and (iii) such additional documentation, if any, as required by the Indenture.

**Section 3.3. Cooperation in Furnishing Documents.** The JSCB agrees to furnish to the Trustee any documents that are required to effect payments out of the Project Fund in accordance with Section 3.2 hereof. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the Indenture.

**Section 3.4. Default in Contractors' Performance.** In the event of default of any contractor or subcontractor under any contract made in connection with a particular Facility or Facilities, each School Party will exhaust its remedies against the contractor or subcontractor so in default and against each surety for the performance of such contractor. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Project Fund.

**Section 3.5. Issuance of Bonds.** Contemporaneously with the execution and delivery of this Agreement, the Agency will sell and deliver the Series 2008A Bonds in the aggregate

principal amount of \$47,290,000 under and pursuant to a resolution adopted by the Agency on March 4, 2008, authorizing the issuance of the Series 2008A Bonds under and pursuant to the Indenture for the purpose of financing Project Costs of the Central Tech Project and the Design Phase. After the Closing Date, it is contemplated that Additional Bonds will be issued to finance the remaining Project Costs of the Series 2008 Project and for the other purposes set forth in Section 2.7 of the Indenture. It is contemplated that, thereafter, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities pursuant to Phases II through IV of the Program. That portion of the proceeds of sale of the Bonds deposited in the Project Fund shall be applied to the payment of Project Costs in accordance with the provisions of the Indenture.

**Section 3.6. [Reserved].**

**Section 3.7. Expenses Chargeable to the JSCB.** As between the Agency on the one hand, and the School Parties on the other hand, the School Parties shall pay or cause to be paid all expenses or other costs incurred in connection with the Series 2008 Project, including, but not limited to:

- (a) all charges incurred in connection with the preparation, delivery, filing, recording (if required) or effectuation of any instruments of conveyance or transfer required by this Agreement, the License, Bill of Sale to Agency, the Program Manager Agreement, the Construction Contracts, the Indenture or any other Project Document;
- (b) any closing costs or costs relating to issuance of a Series of Bonds other than those costs referenced in paragraph (i) above;
- (c) all lawful claims which might or could if unpaid become a lien or charge on any of the Facilities;
- (d) all pre-closing and post-closing taxes, assessments or other governmental or utility charges or impositions relating to any of the Facilities;
- (e) the Agency's administrative fee;
- (f) any legal fees or expenses incurred by the Agency or the Trustee in connection with the foregoing items of costs related to the issuance of a Series of Bonds;
- (g) the State bond issuance charge; and
- (h) any other costs incurred by the Agency in carrying out the Series 2008 Project.

**Section 3.8. Additional Facilities.** The Agency and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the related Series Indenture, additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of the construction, rehabilitation, reconstruction, and/or equipping of Additional Facilities.

**Section 3.9. Use of Series 2008A Bond Proceeds.** The School Parties shall use, or permit or suffer to be used, the proceeds of the Series 2008A Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Certificate.

**Section 3.10. No Warranty of Condition or Suitability.** THE AGENCY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE SCHOOL PARTIES OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE SERIES 2008A BONDS WILL BE SUFFICIENT TO PAY THE COSTS OF THE SERIES 2008 PROJECT AND COMPLETE THE SERIES 2008 PROJECT. EACH SCHOOL PARTY IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO A SCHOOL PARTY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF ANY OF THE FACILITIES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

## ARTICLE IV

### INSTALLMENT PURCHASE PAYMENTS AND OTHER PAYMENTS

#### **Section 4.1. Payment of Installment Purchase Payments.**

(a) Subject to Section 4.4 hereof, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments for the Facilities in the amounts as set forth in Schedule A attached hereto. Base Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Trust Agreement, with the Trustee by no later than each Base Installment Purchase Payment Date; *provided, however*, that there shall be credited against any Base Installment Purchase Payments any amounts available for such purpose and on deposit in the Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of the Indenture and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of the Indenture (such net amount being the "*Net Base Facilities Agreement Payment*").

(b) Upon receipt by the City and the SCSD of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund (including any amounts deposited to the Debt Service Reserve Fund pursuant to Section 5.4 of the Indenture) shall be less than the Debt Service Reserve Requirement, the City and the SCSD shall immediately pay to the Trustee, subject to Section 4.4 hereof, for deposit in the Debt Service Reserve Fund, an amount equal to the deficiency.

(c) The City and SCSD (at the direction of an Authorized Representative of the City) shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, together with interest accrued and to accrue and premium, if any, to be paid on the Series 2008A Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series 2008A Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be specified in writing by an Authorized Representative of the City at the time of making such prepayment. Upon any such prepayment, the Trustee shall, if necessary, recalculate the schedule of Base Installment Purchase Payments set forth in Schedule A attached hereto in accordance with the Indenture and deliver a revised schedule to the City, the SCSD and the Agency, and such revised schedule shall be deemed to replace the then-existing Schedule A attached hereto.

**Section 4.2. Direction as to Payment of Installment Purchase Payments.** Base Installment Purchase Payments shall be paid to the Trustee for credit to the Bond Fund and Reserve Payments shall be paid to the Trustee for deposit to the Debt Service Reserve Fund to the extent of any deficiency therein.

**Section 4.3. Indemnification of the Agency and Trustee and Limitation on Liability.**

(a) The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Agency, the Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents

(collectively, the “*Indemnified Parties*”) harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Series 2008 Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, rehabilitation, equipping, or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) title to any Facility or any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) this Agreement, the Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of this Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

(b) Each School Party hereby releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and the SCSD agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in subdivision (i) through (v) of Section 4.3(a) hereof or at the direction of any School Party with respect to any of such matters above referred to; *provided, however*, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to this Section 4.3; such notice shall be given in sufficient time to allow the SCSD to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the SCSD under this Section 4.3, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD’s ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD’s obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.



(c) The indemnifications and protections set forth in this Section 4.3 shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the School Parties contained in this Section 4.3 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

(e) For the purposes of this Section 4.3, none of the School Parties shall be deemed an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

(f) The obligations of the SCSD to the Indemnified Parties under this Section 4.3 and to the Trustee under Section 4.8 hereof shall survive the resignation or removal of the Trustee and the satisfaction and discharge of the Indenture.

#### **Section 4.4. Nature of Obligations of the City and SCSD.**

(a) Except as hereinafter provided in this Section 4.4, the obligation of the City and SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee, the Bond Insurer, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

(b) The obligation of the City and SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid Revenues appropriated by the State and available to the City and/or the SCSD for the purpose of this Agreement and the State Aid Trust Agreement, moneys budgeted by the SCSD and appropriated by the City for such purpose and approval by the SCSD of payment thereof after appropriation by the City therefor, and no liability on account thereof shall be incurred by the SCSD or the City beyond the amount of such moneys; *provided, however*, that the failure of the City and the SCSD for any reason (including a failure by the SCSD to budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid Revenues) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of this Agreement and the Syracuse Schools Act, and in such event, the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. Further, the obligation of the SCSD and the City to pay Installment Purchase Payments is not a general obligation of the SCSD or the City. Neither the faith and credit of the City or the SCSD nor the taxing power of the City are pledged to the payment of any Installment Purchase

Payment or Additional Payment due under this Agreement. However, the obligations of the SCSD and the City under this Agreement to pay Additional Payments shall be a general obligation of the City and SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither this Agreement nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of this Agreement.

(c) The obligations of the City and the SCSD under this Agreement, including its obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which this Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due hereunder shall be moneys comprising State Aid Revenues lawfully appropriated by the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

(d) The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, *provided, however,* that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid Revenues, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

(e) Subject to the limitations contained in Section 4.4(b) hereof, none of the School Parties will terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Agency to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement.

(f) The School Parties presently intend to continue this Agreement for its entire term, and the City and the SCSD presently intend to pay all Base Installment Purchase Payments specified in Schedule A as such Base Installment Purchase Payments come due under the terms and provisions of this Agreement.

(g) No provision contained in this Section 4.4 shall be deemed to limit, impair or modify the State Aid Revenues intercept provisions of the Syracuse Schools Act or the application of the provisions of Section 5.4 of the Indenture.

(h) For purposes of this Section 4.4, references to the "approval" of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City's Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

**Section 4.5. Directed State Aid Revenues.**

(a) Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller's Office to deposit all State Aid Revenues into the State Aid Depository Fund established under the State Aid Trust Agreement, and the Commissioner of Finance of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Trust Agreement, to transfer State Aid Revenues to the Trustee and each other Series Trustee in accordance with the State Aid Trust Agreement for the purpose of, in the case of the Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and SCSD agree not to modify the procedures set forth in the State Aid Trust Agreement for the collection, deposit or disbursement of State Aid Revenues, except as and to the extent permitted under the State Aid Trust Agreement.

(b) Each of the City and the SCSD acknowledge that, pursuant to Section 5.4 of the Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under this Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget for, appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Agency has appointed the Trustee to act as its agent under the Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD such State Aid Revenues as is payable to the City and/or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Agency, the amount of such State Aid Revenues so withheld. Notwithstanding anything to the contrary contained herein, amounts of such State Aid Revenues received by the Trustee on behalf of the Agency and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

**Section 4.6. Assignment of Installment Purchase Payments by the Agency.** It is understood that this Agreement and all Installment Purchase Payments by the City and the SCSD hereunder (except Additional Payments pursuant to Sections 4.3 and 4.8 hereof and other Additional Payments and/or rights comprising the Reserved Rights) are to be pledged and assigned by the Agency to the Trustee pursuant to the Indenture, and the City and the SCSD

hereby consent thereto. Except as provided in this Section 4.6 and the Indenture, the Agency shall not assign this Agreement or any Installment Purchase Payments hereunder.

**Section 4.7. [Reserved].**

**Section 4.8. Compensation and Expenses of Trustee, Depository Bank, Bond Insurer, Bond Registrar, Paying Agents and Agency.** The City and the SCSD shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following annual fees, charges and expenses and other amounts: (1) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including the fees and expenses of any accountant or other agent engaged by the Trustee for performing such services, and the fees and expenses as Bond Registrar, and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture, (2) the reasonable fees and charges of the Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Indenture, including the reasonable fees of its counsel, (3) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, (4) the initial and annual fees of the Depository Bank for the ordinary services of the Depository Bank rendered and its ordinary expenses incurred under the State Aid Trust Agreement, and (5) the fees, costs and expenses of the Bond Registrar and the fees, costs and expenses (including legal, accounting and other administrative expenses) of the Agency. The City and the SCSD shall further pay the fees, costs and expenses of the Agency together with any reasonable fees and disbursements incurred by the Agency's bond counsel and general counsel in connection with (i) the Projects or this Agreement, including fees and expenses incurred by the Agency after the occurrence and during the continuance of an Event of Default as provided in Section 8.1 of this Agreement, (ii) the negotiation and execution of this Agreement, the Indenture and other Project Documents; and (iii) any waiver, modification or amendment to this Agreement, the Indenture or any other Project Document that may be requested by a School Party or any party thereto, and consented to by the City and the SCSD, or any action by the Agency requested by a School Party thereunder. The City and the SCSD shall further pay to the Agency on the date of issuance of the Series 2008A Bonds and on the date of issuance of any Additional Bonds an amount equal to one-half of one percent (1/2 of 1%) of the principal amount of such Series of Project Bonds.

The City and SCSD shall pay or reimburse the Bond Insurer for any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Security Document; (ii) the pursuit of any remedies under the Indenture or any Related Security Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, any Project Document whether or not executed or completed, (iv) the violation by the Agency or a School Party of any law, rule or regulation, or any judgment, order or decree applicable to it or (v) any litigation or other dispute in connection with the Indenture or any other Project Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Project Document.

**Section 4.9. Net Agreement.** This Agreement shall be deemed and construed to be a “net agreement,” and the City and the SCSD shall pay absolutely net during the Agreement Term the Installment Purchase Payments and all other payments required hereunder, free of all deductions, without abatement, diminution and set off.

## ARTICLE V

### **OPERATION AND MAINTENANCE; INSURANCE; DAMAGE; DESTRUCTION AND CONDEMNATION**

**Section 5.1. Operation, Maintenance and Repair.** During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Agency shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD hereby agrees to assume full responsibility therefor.

#### **Section 5.2. Utilities, Taxes and Governmental Charges.**

(a) The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

(b) In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Agency, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments hereunder when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof pursuant hereto; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder.

**Section 5.3. Additions, Enlargements and Improvements.** The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto.

**Section 5.4. Additional Rights of SCSD.** The Agency agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of this Section shall be and remain the personal property of the SCSD and, if not constituting part of the Series 2008 Project, shall not become subject to the this Agreement, and may be removed, altered or otherwise changed, upon or before the termination hereof.

**Section 5.5. Liability Insurance.**

(a) The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Agency and the Trustee until completion of the Series 2008 Project in accordance with Section 3.2(b) hereof, the following kinds and the following amounts of insurance with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

(i) During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Agency or the Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to \$20,000,000 for any one Facility;

(ii) During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of \$[26,000,000] per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, *provided, however*, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and

(iii) Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Agency is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Project; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by laws.

(b) Prior to the commencement of construction of the Facilities (and in any event on or before March 31, 2008), the JSCB shall deliver or cause to be delivered to the Agency and to the Trustee duplicate copies of insurance policies obtained by the JSCB hereunder and/or binders evidencing compliance with the insurance requirements of this Section 5.5. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Agency and the Trustee thirty (30) days in advance of such change.

(c) At least thirty (30) days prior to the expiration of any insurance policy required under this Section 5.5, the JSCB shall furnish the Agency and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(d) All insurance required by Section 5.5(a) above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State. Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) provide that there shall be no recourse against the Agency or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(ii) provide that in respect of the interests of the Agency and the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of a School Party or any other Person and shall insure the Agency and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(iii) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency or the Trustee to the extent that such other insurance provides the Agency or the Trustee with contingent and/or excess liability insurance with respect to its interest as such in the Facilities;

(iv) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency or the Trustee until at least thirty (30) days after receipt by the Agency and the Trustee of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(v) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vi) contain such other terms and provisions as any owner or operator of facilities similar to the Facilities would, in the prudent management of its properties,



require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Facilities owned or operated by it.

(e) The JSCB shall, at the cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Agency or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section 5.5. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 5.5 would or might be suspended or impaired.

(f) The SCSD hereby assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Agency and the Trustee against, or to reimburse the Agency and the Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required hereby. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

#### **Section 5.6. Damage or Destruction.**

(a) The SCSD agrees to notify the Agency and the Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty, and shall state the plans of the SCSD with respect to the repair, reconstruction and restoration of the affected Facility.

(b) If any Facility or portion thereof shall be condemned or taken by eminent domain, this Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD hereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the "*termination date*"), and the SCSD will promptly give notice thereof to the Agency and the Trustee, and shall state the plans of the SCSD with respect to the replacement or restoration of the affected Facility.

(c) If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a "*Loss Event*") at any time while this Agreement is in effect:

(i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under this Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance (after payment of all reasonable expenses, costs and taxes (including attorneys' fees) incurred in obtaining such proceeds) shall be deposited in the Project, and, subject to the provisions of Section 5.6(a)(iv) below, at the option of the SCSD, shall be applied to either (A) replace, repair, rebuild,

restore or relocate the affected Facility, or (B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Indenture; and

(iv) If the SCSD replaces, repairs, rebuilds, restores or relocates the affected Facility, the Trustee shall disburse such proceeds from the Project Fund in the manner set forth in Section 5.2 of the Indenture to pay or reimburse the SCSD for the cost of such replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in Section 5.1(a) (iii) hereof, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than \$50,000, and (B) no Event of Default then exists under the Indenture or this Sale Agreement; the SCSD shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance herewith and with the Tax Compliance Agreement.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a "project" as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the SCSD and/or the City in accordance with the terms of the applicable contracts.

(d) In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the City and the SCSD shall nonetheless complete the work and pay from its own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this Section, whether or not requiring the expenditure of the money of the City and/or the SCSD, shall automatically become a part of a Facility as if the same were specifically described herein.

(e) Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Indenture or the Tax Compliance Agreement, be used to redeem the Bonds as provided in the Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

**ARTICLE VI**  
**REPRESENTATIONS AND WARRANTIES**

Each of the City and the SCSD hereby represents and warrants as follows:

**Section 6.1. Legal Entity.** The SCSD is a school district of the State, duly created and validly existing under the Constitution and laws of the State. The City is a municipal corporation of the State duly created and validly existing under the Constitution and laws of the State.

**Section 6.2. Legal Authority.** The School Parties have the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which any of them is a party, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.3. Due Authorization.** The City and SCSD have duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which any School Party is a party and the performance of their respective obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of their respective approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.4. Validity and Enforceability.** This Agreement and each other Project Document to which the City, the SCSD or the JSCB on behalf of the City, the SCSD or both is a party constitutes a legal, valid and binding obligation of the City or the SCSD, as the case may be, enforceable against such Person in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.5. No Conflict.** This Agreement and each other Project Document to which the City and/or the SCSD is a party or to which the JSCB is a party on behalf of the City, the SCSD or both, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of such Person a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the City, the SCSD or the JSCB on behalf of the City, the SCSD or both is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the City or the SCSD, as the case may be.

**Section 6.6. Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the SCSD and/or the City of its respective obligations hereunder or under any other Project Document to which the SCSD and/or the City or the JSCB

on behalf of the City, the SCSD or both is a party or to which it is bound or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.7. No Defaults.** Neither the City nor the SCSD is in breach of or default under any agreement or other instrument to which it or the JSCB on behalf of the City, the SCSD or both is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.8. No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the City or the SCSD, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or to which it is bound or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.9. Essentiality of Series 2008 Project.** Both the City and the SCSD by appropriate legislative or administrative action have determined that the Series 2008 Project is essential to the proper administration of the public schools within the City and meets the essential needs of the students and residents, respectively, of the SCSD and the City. The City and the SCSD have further determined that the Series 2008 Project shall continue to be essential to such administration and to meet such needs throughout the Agreement Term.

**Section 6.10. Not Indebtedness of SCSD or City.** This Agreement and the obligations of the SCSD hereunder do not and will not constitute indebtedness of the SCSD or the City under Article VIII of the State Constitution or Section 20.00 of the Local Finance Law of the State nor shall they constitute a contractual obligation in excess of the amounts appropriated therefor.

**Section 6.11. Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.12. Compliance with the IDA Act and the Syracuse Schools Act.** The SCSD covenants and agrees to operate each of the Facilities or cause each of the Facilities to be operated in accordance with (i) this Agreement, (ii) as a qualified Project in accordance with and as defined under the Syracuse Schools Act, and (iii) as a "project" in accordance with the IDA Act.

**Section 6.13. Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be treated or capable of being treated on

the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License, the Bill of Sale to the Agency and to this Agreement.

**Section 6.14. Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the City and/or the SCSD in connection with (y) the execution and delivery of this Agreement and each other Project Document to which such Person shall be a party or to which it is bound, and (z) the granting of the interest in the Facilities by the SCSD and the City to the Agency pursuant to the License and Bill of Sale to Agency, have been duly obtained.

**Section 6.15. Interest of Agency.** Pursuant to the License and Bill of Sale to Agency, the City and the SCSD have vested the Agency with a valid license in and to the Facilities and valid ownership interest in the Equipment, all of which has been sold by the Agency to the SCSD pursuant to this Agreement.

**Section 6.16. JSCB.** The SCSD and the City have duly established the JSCB pursuant to the Syracuse Schools Act and the Intermunicipal Agreement. The Intermunicipal Agreement is in full force and effect and has not been amended, modified or rescinded. This Agreement, the other Project Documents to which the JSCB, on behalf of the City, the SCSD or both, is a party and the acts, agreements and contracts of the JSCB, on behalf of the City, the SCSD or both, have been ratified and/or approved and duly authorized by the City and the SCSD, as the case may be, and constitute valid and binding obligations of the City and the SCSD, as the case may be

**Section 6.17. Title to Facilities.** The City and the SCSD have and will have good and marketable title to the Facilities, subject only to Permitted Encumbrances.

The JSCB makes the following representations and warranties:

**Section 6.18. Legal Entity.** The JSCB has been duly created and is validly existing under the Constitution and laws of the State.

**Section 6.19. Legal Authority.** The JSCB, has the good right and lawful authority and power to execute and deliver this Agreement and each other Project Document to which it is a party, on its own behalf or on behalf of the City, the SCSD or both, to perform the obligations and covenants contained herein and therein and to consummate the transactions contemplated hereby and thereby.

**Section 6.20. Due Authorization.** The JSCB has duly authorized by all necessary actions the execution and delivery hereof and each other Project Document to which it is a party and the performance of its obligations and covenants hereunder and thereunder, the execution and delivery hereof and thereof is indication of its approval hereof and thereof, and the consummation of the transactions contemplated hereby and thereby.

**Section 6.21. Validity and Enforceability.** This Agreement and each other Project Document to which the JSCB is a party constitutes a legal, valid and binding obligation of the

JSCB, enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

**Section 6.22 No Conflict.** This Agreement and each other Project Document to which the JSCB is a party, the execution and delivery hereof and thereof and the consummation of the transactions contemplated hereby and thereby (i) do not and will not in any material respect conflict with, or constitute on the part of the JSCB a breach of or default under (y) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject or (z) any agreement or other instrument to which the JSCB is a party or by which it or any of its revenues, properties or operations are bound or subject and (ii) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or operations of the JSCB.

**Section 6.23 Consents and Approvals.** All consents, approvals, authorizations or orders of, or filings, registrations or declarations with any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the JSCB of its respective obligations hereunder or under any other Project Document to which the JSCB is a party or the consummation of the transactions contemplated hereby or thereby have been duly obtained and are in full force and effect.

**Section 6.24 No Defaults.** The JSCB is not in breach of or default under any agreement or other instrument to which it is a party or by or to which it or its revenues, properties or operations are bound or subject, or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties or operations are bound or subject, which breach or default is material to the transactions contemplated hereby; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such agreement or instrument, such a breach or default material to such transactions.

**Section 6.25 No Litigation.** No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the JSCB, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which it is a party or any revenues or properties and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

**Section 6.26 Environmental Quality Review and Historic Preservation.** The provisions of Article 8 of the Environmental Conservation Law and the provisions of the Historic Preservation Act of 1980 of the State applicable to the construction, rehabilitation, reconstruction, and/or equipping of the Series 2008 Project have been complied with.

**Section 6.27 Use of Bond Proceeds.** Any costs of the Series 2008 Project paid from the proceeds of the sale of the Series 2008A Bonds shall be capable of being treated on the books of the SCSD as capital expenditures in conformity with generally accepted accounting principles

applied on a consistent basis. No part of the proceeds of the Series 2008A Bonds will be used to finance inventory or will be used for working capital or used for any property which is not subject to the License and to this Agreement.

**Section 6.28 Governmental Approvals.** All consents, approvals or authorizations, if any, of any governmental authority, including all necessary filings and submissions, required on the part of the JSCB in connection with the execution and delivery of this Agreement and each other Project Document to which it shall be a party, have been duly obtained.

The Agency makes the following representations and warranties:

**Section 6.29 Agency Authorization.** The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and each other Project Document to which it is a party and to carry out its obligations hereunder and thereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement and each other Project Document to which it is a party.

**Section 6.30 Determination of Public Purpose.** The Agency hereby determines that the financing of the Facilities through the issuance of the Bonds will further and advance the public purpose of the Agency under the IDA Act and the Syracuse Schools Act.

**ARTICLE VII**  
**SPECIAL COVENANTS**

**Section 7.1. SCSD's Right to Possession.** Except as otherwise provided herein, the SCSD shall be entitled to sole possession of the Facilities during the Agreement Term.

**Section 7.2. [Reserved].**

**Section 7.3. Compliance With Laws and Regulations.** Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the JSCB or the SCSD and any of the Facilities or the use or manner of use of any of the Facilities; *provided, however*, the obligation of the JSCB or the SCSD, as the case may be, to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

**Section 7.4. Covenant Against Waste.** Each of the JSCB and the SCSD covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any of the Facilities.

**Section 7.5. Right of Inspection.** The SCSD covenants and agrees to permit the Agency and the Trustee and the authorized agents and representatives of the Agency and the Trustee upon reasonable notice to the SCSD, to enter any of the Facilities for the purpose of inspecting the same.

**Section 7.6. Condition of Facilities.** Immediately upon the availability of any part of a Facility for use by the SCSD, the SCSD shall become thoroughly familiar with the physical condition of such part of the Facility. The Agency makes no representations whatever in connection with the condition of any Facility, and the Agency shall not be liable for any defects therein.

**Section 7.7. Assignment and Sale by the SCSD.** Neither the SCSD, the JSCB nor the City will sell, lease, transfer or otherwise dispose of or encumber its interest in any of the Facilities except as provided in Section 7.15 hereof; *provided, however*, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and this Agreement, (y) upon delivery to the Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under this Agreement, and (z) upon delivery to the Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license, as applicable, will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes. This Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Agency, the other School Parties and the Trustee (which consent may be unreasonably withheld), but no assignment shall relieve the School Parties, as applicable, from primary



liability for any of its obligations hereunder, and in the event of any such assignment the School Parties shall continue to remain primarily liable for the payments specified herein and the SCSD, the City and/or the JSCB, as applicable, for performance and observance of the other agreements on its part herein provided.

**Section 7.8. Use of the Facilities.** Except as provided in Section 7.9 hereof, each Facility shall be used by the SCSD or any other governmental agency, department, division, commission or board thereof and used for public purposes of the SCSD or such agency, department, division, commission or board, and as a "project" under the IDA Act and as a Project as provided in the Syracuse Schools Act.

**Section 7.9. [Reserved].**

**Section 7.10. Compliance With Laws.** The parties hereto agree to comply with all laws, rules, regulations, orders and decrees applicable to the Facilities or the performance hereof.

**Section 7.11. Covenant Not to Affect the Tax-Exempt Status of the Bonds.** The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Certificate and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

**Section 7.12. Covenants as to State Aid Trust Agreement.** The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller's office to forward all State Aid Revenues payments to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Trust Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Trust Agreement.

**Section 7.13. Filings.** The City shall be responsible for the filing of financing statements (including continuation statements) in connection with and in order to continue the security interest created by the Indenture.

**Section 7.14. Equal Employment Opportunities.**

(a) The SCSD shall ensure that all employees and applicants for employment with regard to each of the Facilities are afforded equal employment opportunities without discrimination.

(b) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Series 2008 Project (whether by the SCSD or any other occupant of a Facility) shall be listed by the SCSD (or, if applicable, such other occupant) with the New York State Department of Labor Community Services Division, and with the administrative entity of each service delivery area created by the Workforce Investment Act of 1998 (P.L. No. 05-220) in which each of the Facilities is located. Except as is otherwise provided by collective bargaining contracts or agreements, the SCSD agrees, and shall cause any other occupant of a Facility to agree, where practicable, to first consider persons eligible to participate in the Workforce Investment Act of 1998 (P.L. No.

105-220) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Services Division of the New York State Department of Labor for such new employment opportunities.

**Section 7.15. Release of Facilities.** Notwithstanding any other provision of this Agreement, so long as there exists no event of default hereunder, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Agency and the Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from this Agreement and the License. Upon receipt of such notice, the Agency and the Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to this Agreement and the License; *provided, however*, that in the event the release is of the last remaining Facility, the SCSD must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions of this Section 7.15 shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments payable under Section 4.1 hereof or the Additional Payments required to be made by the SCSD and the City under this Agreement.

**Section 7.16. No-Default Certificates.**

(a) Each School Party shall deliver to the Agency, the Bond Insurer and the Trustee within one hundred and twenty (120) days after the close of each Fiscal Year, a certificate of an Authorized Representative thereof as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the School Party was in compliance with all the provisions which relate to it in this Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an event of default hereunder, and any action proposed to be taken by the SCSD, the City and/or the JSCB, as applicable, with respect thereto, and, until such time as the Series 2008 Project has been completed and a certificate evidencing the same pursuant to Section 3.2(b) of this Agreement has been delivered to the Agency and the Trustee, a certificate of an Authorized Representative of the JSCB that the insurance it maintains and/or is required to provide complies with the provisions of Section 5.5 of this Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect. In addition, upon twenty (20) days' prior request by the Agency, the Bond Insurer or the Trustee, each School Party will execute, acknowledge and deliver to the Agency, the Bond Insurer and the Trustee a certificate of an Authorized Representative thereof either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(b) Each School Party shall immediately notify the Agency, the Bond Insurer and the Trustee of the occurrence of any event of default or any event which with notice and/or lapse of time would constitute an event of default under any Project Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the appropriate School Party and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the notice shall state this fact.

**Section 7.17. Further Assurances.** Each School Party will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the SCSD and the City, as the Agency or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Agency or the Trustee hereunder, under the Indenture or under any other Project Documents.

**Section 7.18. Recording and Filing.** The Pledge and Assignment and this Agreement as originally executed or a memorandum thereof shall be recorded by the SCSD in the appropriate office of the Clerk of the County, or in such other office as may at the time be provided by law as the proper place for the recordation thereof. The security interest of the Trustee created under the Indenture shall be perfected by the filing of financing statements by the SCSD which fully comply with the New York State Uniform Commercial Code - Secured Transactions in the office of the Secretary of State of the State, in the City of Albany, New York. The City shall file or cause to be filed all necessary continuation statements (and additional financing statements) within the time prescribed by the New York State Uniform Commercial Code - Secured Transactions in order to continue (or attach and perfect) the security interest created by the Indenture, to the end that the rights of the Agency, the Holders of the Bonds and the Trustee in this Agreement, in the Installment Purchase Payments payable under this Agreement and in the Trust Estate, shall be fully preserved as against creditors or purchasers for value from the Agency, the City or the SCSD. The Agency and the Trustee are authorized, if permitted by applicable law, to file one or more Uniform Commercial Code financing statements disclosing any security interest in this Agreement and the Installment Purchase Payments due under this Agreement.

**Section 7.19. Furnishing of Information.** Each School Party shall promptly furnish to the Agency and the Trustee such information, in such form and supported by such certifications as the Agency or the Trustee shall reasonably request, relating to such School Party and the Facilities, and the past, present and future employment by the SCSD at the Facilities.

**Section 7.20. Use of Bond Proceeds.** Each School Party shall use, or permit or suffer to be used, the proceeds of the Bonds only for the purposes and costs permitted therefor under this Agreement, the Indenture and the Tax Compliance Certificate.

**Section 7.21. Compliance With Requirements for State Aid Revenues.** The School Parties will comply with all requirements necessary to ensure receipt of State Aid Revenues over the term of this Agreement.

**Section 7.22. No Impairment of Pledge of State Aid Revenues.** Each of the SCSD and the City covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of State Aid Revenues under the Syracuse Schools Act than the pledge effected pursuant to the Indenture; *provided, however*, that nothing contained in this Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid Revenues on a parity with the pledge effected by the Agency under the Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for hereunder.

**Section 7.23. Financial and Other Information to the Bond Insurer.** Each of the SCSD and the City agrees, for the benefit of the Bond Insurer, to deliver to the Bond Insurer (w) its annual unaudited financial statements as soon as available, (x) its annual audited financial statements as soon as available but not later than three hundred sixty (360) days after the end of the Fiscal Year, (y) its annual budget within thirty (30) days after the approval thereof, and (z) such other information, data or reports as the Bond Insurer shall reasonably request from time to time.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.1. Events of Default.** An “event of default” or a “default” shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Agency or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Agency or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Agency, the Bond Insurer, the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same can not be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions; *provided, however*, that unless the Bond Insurer shall consent in writing to a longer period, it shall constitute an Event of Default under this paragraph (e) if such failure shall not be remedied within sixty (60) days after receipt by the defaulting party of the above written notice;

(g) The City or the SCSD shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the City or the SCSD seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver; trustee, or other

similar official for it for any substantial part of its property; or the City or the SCSD shall authorize any of the actions set forth above in this subparagraph (f); or

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under this Agreement shall constitute a failure to make a payment under this Agreement for purposes of the Syracuse Schools Act, and in such event the Agency has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Period, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

**Section 8.2. Remedies.** Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Agency (with the prior written consent of the Trustee) or the Trustee, subject in all respects to Section 4.4 hereof, 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 School Parties hereunder. Notwithstanding the foregoing, for so long as any of the Bonds are Outstanding or any amounts remain due and payable by the City or the SCSD under this Agreement, neither the Agency nor the Trustee shall take any action which shall have the effect of terminating this Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, *provided, however*, that in addition to any other rights or remedies granted by this section to the Agency, the Agency may enforce any of the Agency's Reserved Rights without the consent of the Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to this Section 8.2 shall relieve any School Parties from its obligations hereunder, all of which shall survive any such action.

**Section 8.3. Cure.** Notwithstanding any remedy taken by the Agency or the Trustee pursuant to Section 8.2 hereof, if all arrears of Installment Purchase Payments, and all other

Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Trustee (including reasonable attorneys' fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Trustee or the Agency.

**Section 8.4. No Remedy Exclusive.** Subject to the provisions of the second sentence of Section 8.2 hereof, no remedy herein conferred upon or reserved to the Agency or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder 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 default shall impair any such right or power or shall 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 or the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**Section 8.5. Waiver and Non-Waiver.** In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 8.6. Effect on Discontinuance of Proceedings.** In case any proceeding taken by the Trustee under the Indenture or this Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then, and in every such case, the Agency, the Trustee, the Bond Insurer and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

**Section 8.7. Agreement to Pay Attorneys' Fees and Expenses.** In the event the Agency, the Bond Insurer or the Trustee should employ attorneys or incur other expenses for the collection of Installment Purchase Payments or Additional Payments payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the School Parties herein contained or contained in any other Project Document, each of the City or the SCSD agree that it will on demand therefor pay to the Agency, the Bond Insurer or the Trustee the reasonable fees and disbursements of such attorneys and such other expenses so incurred.

## ARTICLE IX

### LIMITATIONS ON TERMINATION OF AGREEMENT

**Section 9.1. Limitations on Termination of Agreement.** Notwithstanding any provisions of this Agreement to the contrary, neither the Agency, the Trustee nor any School Party shall take or fail to take any action which would cause this Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under this Agreement or prior to the discharge of the lien of the Indenture.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1 [Reserved].**

**Section 10.2. Successors and Assigns.** This Agreement shall inure to the benefit of the School Parties, the Bond Insurer, the Agency and the Trustee and their respective successors and assigns, and shall be binding upon the Agency and the School Parties, subject, however, to the provisions of Sections 7.7 and 7.8 hereof.

**Section 10.3. Severability.** In the event any one or more of the covenants, stipulations, promises, obligations and agreements herein on the part of the Agency or a School Party to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, or agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements herein contained and shall in no way affect the validity or enforceability of the other provisions hereof.

**Section 10.4. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, subsequent to the issuance of Series 2008A Bonds, and prior to payment or provision for the payment of the Bonds in full, and payment or provision for the payment of all amounts due and payable to the Agency pursuant hereto or to any indemnity, this Agreement may not be amended, changed, modified, altered or terminated except as provided in the Indenture.

**Section 10.5. Amounts Remaining Under the Indenture.** It is agreed by the parties hereto that any amounts remaining in any fund or account created under the Indenture, upon expiration or sooner termination of the Agreement Term, as provided herein, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges, indemnities and expenses of the Trustee, the Paying Agents, the Bond Insurer and the Agency in accordance herewith and with the Indenture, shall belong to and be paid to the City for the benefit of the SCSD.

**Section 10.6. Compliance with Indenture.** Each School Party hereby approves of and agrees to the provisions of the Indenture. Each School Party agrees to do all things within its



power in order to enable the Agency to comply with all requirements and to fulfill all covenants of the Indenture so that the Agency will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

**Section 10.7. Investment of Moneys.** The Agency hereby acknowledges that the City may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Agency nor the Trustee shall have any liability arising out of or in connection with the making or disposition of any investment authorized by the provisions of Section 5.6 of the Indenture in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment or disposition.

**Section 10.8. Disclaimer of Personal Liability.** No recourse shall be had against or liability incurred by any official or member of any School Party or any officer or employee of any School Party, or any person executing this Agreement for any covenants and provisions hereof or for any claims based thereon, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any official, member, officer or employee of a School Party.

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

**Section 10.9. Effective Date; Counterparts.** This Agreement shall become effective upon its delivery. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 10.10. Headings.** The headings preceding the text of the several Articles and Sections hereof and any table of contents appended to copies hereof shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**Section 10.11. Notices.** All notices, demands or other communications hereunder shall be sufficient if sent by registered or certified United States mail, postage prepaid, addressed, if to the Agency, City Hall, Syracuse, New York 13202, Attention: Chairman; in the case of the City, addressed to it to the attention of the Mayor, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the SCSD, addressed to it to the attention of the SCSD's Superintendent, at \_\_\_\_\_, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the JSCB, addressed to it to the attention of the Chairman, at City Hall, Syracuse, New York 13202, with a copy to Corporation Counsel, City of Syracuse, at City Hall, Syracuse, New York 13202; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the addresses of such principal corporate trust office; and in the case of the Bond Insurer, to \*\*, \_\_\_\_\_, Attention:

\_\_\_\_\_, Re: Policy No. \_\_\_\_\_, Telephone: (\_\_\_\_) \_\_\_\_-\_\_\_\_; Telecopier: (\_\_\_\_) \_\_\_\_-\_\_\_\_ (in each case in which notice or other communication refers to an Event of Default, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

**Section 10.12. Prior Agreements Superseded.** This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Project Documents or other agreements executed concurrently herewith or with respect to the Series 2008 Project), between the Agency, on the one hand, and the School Parties, on the other hand, relating to the Facilities.

**Section 10.13. Governing Laws.** This Agreement shall be governed and construed in accordance with the laws of the State.

**Section 10.14. Binding Effect.** This Agreement shall inure to the benefit of, and shall be binding upon, the Agency and the School Parties and their respective successors and assigns.

**Section 10.15. Investment of Funds.** Any moneys held as part of the Project Fund, the Bond Fund, the Debt Service Reserve Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the joint written request of an Authorized Representative of the City, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the applicable Tax Compliance Certificate). Neither the Agency nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

**Section 10.16. Waiver of Trial by Jury.** The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the Facilities or any matters whatsoever arising out of or in any way connected with this Agreement.

The provisions of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

**Section 10.17. Non-Discrimination.**

(a) At all times during the maintenance and operation of the Facilities, the SCSD shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The SCSD shall use its best efforts to ensure that employees and applicants for employment with the SCSD are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The SCSD shall, in all solicitations or advertisements for employees placed by or on behalf of the SCSD, state that all qualified applicants will be considered for employment without regard to race, color, creed, age, sex or national origin.

(c) The SCSD shall furnish to the Agency all information required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section.

**Section 10.18. Limitation on Liability of the Agency or the State.** The liability of the Agency to the School Parties under this Agreement and to the Trustee and the Holders of the Bonds shall be enforceable only out of, and limited to, the Agency's interest under this Agreement and under the License and the security interest created by the Indenture. There shall be no other recourse against the Agency, its members, directors, officers, agents, servants and employees and persons under the Agency's control or supervision, past, present or future, or against any of the property now or hereafter owned by it or them. Any obligation the Agency may incur for the payment of money in the performance of this Agreement shall not create a debt of the State, and the State shall be not liable on any obligation so incurred. Any such obligation shall be payable solely out of any payments or other proceeds or funds derived from this Agreement. All obligations of the Agency under this Agreement shall be deemed to be the obligation of the Agency, and not of any member, director, officer, servant, employee or agent of the Agency or person under the Agency's control or supervision, past, present or future, in his individual capacity. No recourse shall be had against any such persons, or against any natural person executing the Bonds, for any claim against the Agency arising under this Agreement, including, without limitation, any claim for the payment of the principal of, redemption premium, if any, or interest on the Bonds.

**Section 10.19. Date of Agreement for Reference Purposes Only.** The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was executed and delivered on the date of original issuance and delivery of the Series 2008A Bonds.

**IN WITNESS WHEREOF**, the Agency, the City, the SCSD and the JSCB have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers or agents and to be dated as of the day and year first above written., all being done as of the year and day first above written.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: (Vice) Chairman

**CITY OF SYRACUSE**

By: \_\_\_\_\_  
Matthew J. Driscoll, Mayor

**CITY SCHOOL DISTRICT OF CITY OF  
SYRACUSE**

By: **SYRACUSE JOINT SCHOOL  
CONSTRUCTION BOARD,**  
its duly authorized agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Representative

**SYRACUSE JOINT SCHOOL  
CONSTRUCTION BOARD,**  
on its own behalf and on behalf of  
the City and the SCSD

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Representative

STATE OF NEW YORK    )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of March, in the year 2008, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

STATE OF NEW YORK     )  
  ): SS.  
COUNTY OF ONONDAGA )

On the \_\_\_\_ day of March, in the year 2008, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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NOTARY PUBLIC

**EXHIBIT A**

**DESCRIPTION OF FACILITIES**

[To also include description of personalty and fixtures]

**SCHEDULE A**

**INSTALLMENT PURCHASE PAYMENTS**

| <b>Payment Date</b> | <b>Principal</b> | <b>Interest*</b> | <b>Base<br/>Installment<br/>Purchase Payments</b> |
|---------------------|------------------|------------------|---|
|---------------------|------------------|------------------|---|

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\* Subject to adjustment with respect to Series 2008A Bonds paid by the Bond Insurer as provided in Section 2.10(e) of the Indenture.



JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 10 of 2008

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) AMENDING RESOLUTION No. 9-2008 AUTHORIZING THE TRANSACTIONS AND EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS CONTEMPLATED IN CONNECTION WITH THE ISSUANCE OF THE SIDA SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT - SERIES 2008 PROJECT) TO INCREASE THE PAR AMOUNT DUE TO MARKET CONDITIONS

The following resolution was offered by Laurie Menkin, who moved its adoption, seconded by Van Robinson, to-wit:

WHEREAS, the Syracuse Joint Schools Construction Board (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006 (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the "Plan") to the Office of the Comptroller of the State of New York (the "OSC"); and

WHEREAS, by letter dated January 25, 2008, OSC notified the JSCB of its approval of the Plan; and

WHEREAS, the JSCB, pursuant to Section 6 of the Act, adopted a Comprehensive Plan, which includes the aforementioned Plan, for Phase 1 of the Syracuse Schools Reconstruction Project, pursuant to a resolution adopted on February 14, 2008 (the "Program"); and

WHEREAS, the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consists of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "Series 2008 Project") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds to be issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$180,000,000 (the "Bonds"); and

WHEREAS, the Series 2008 Project is expected to be undertaken in two stages; and

WHEREAS, the JSCB's underwriter, DEPPA First Albany Securities LLC, has recommended that the original par amount of \$47,290,000 set forth in Resolution No. 9-2008, be increased to \$49,750,000 to take into account current market conditions;

WHEREAS, pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested that the SIDA issue and sell its revenue bonds in an aggregate principal amount of up to \$49,750,000 (the "Series 2008A Bonds") to finance all or a portion of the costs of the first stage of the Series 2008 Project consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building (together the "Central Tech Project") and the design ("Design Phase") of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and

WHEREAS, by Resolution No. 1207-96 adopted December 12, 2007, and by Ordinance No. 8-08 adopted on January 7, 2008 and approved by the Mayor on January 14, 2008, the School District and the City, respectively, approved the plans and specifications for the reconstruction of and addition to the Central Tech Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the JSCB, as "lead agency," classified the Central Tech Project as a "Type I Action" and by resolution adopted on January 31, 2008, determined that the Central Tech Project will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

WHEREAS, the JSCB classified the Design Phase as a "Type II Action" under SEQRA; and

WHEREAS, by Resolution No. 0208-133 adopted on February 13, 2008, the School District approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2008A Bonds to finance Phase 1 of the Syracuse Schools Reconstruction Project; and

WHEREAS, by Ordinance No. 55-2008 adopted on February 25, 2008 and approved by the Mayor on February 27, 2008, the City approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2008A Bonds to finance Phase 1 of the Syracuse Schools Reconstruction Project; and

WHEREAS, pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of December 5, 2007 (the "Program Manager Agreement"), with Gilbane Building Company; and

WHEREAS, pursuant to Section 16 of the Act, in order to effect the financing for the Series 2008 Project, the City and the School District will grant a license (the "License") to the Agency to enter upon the existing school buildings and sites comprising the Series 2008 Project (the "Buildings") for the purposes of undertaking and completing the Series 2008 Project and a bill of sale (the "Bill of Sale") conveying to the Agency title to the equipment, furnishings and

fixtures, necessary and attendant to and for the Series 2008 Project (the "Equipment" and with the Buildings, the "Facilities"), to be financed with proceeds of the Bonds; and

WHEREAS, SIDA, by the terms of an Indenture of Trust (Series 2008 Project) (substantially on the terms and in the form of the proposed Indenture of Trust (Series 2008 Project) attached hereto as Exhibit "A") (the "Indenture") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the Indenture)), State Aid Revenues (as defined in the State Aid Trust Agreement referred to below) and other moneys and property described in the Indenture as security for the Series 2008A Bonds; and

WHEREAS, SIDA, the City, the School District and the JSCB will enter into an Installment Sale Agreement (Series 2008 Project) (substantially on the terms and in the form of the proposed Installment Sale Agreement (Series 2008 Project) attached hereto as Exhibit "B") (the "Installment Sale Agreement"), pursuant to which SIDA will sell its interest in the Series 2008 Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2008 Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2008A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues; and

WHEREAS, the City and the School District will enter into a State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "Depository") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues (as defined in the State Aid Trust Agreement) into the State Aid Depository Fund (as defined in the State Aid Trust Agreement) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2008A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture) and the balance to the General Fund (as defined in the State Aid Trust Agreement); and

WHEREAS, pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf) shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from the City or the City School District any state and/or school aid payable to the City or the City School District to the extent of such amount so stated in such certificate as not having been made and immediately pay over same to the Agency (or the Trustee); and

WHEREAS, pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

WHEREAS, simultaneously with the issuance and delivery of the Series 2008A Bonds, a non-cancelable financial guaranty insurance policy (the "Bond Insurance Policy") will be issued by a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the

Series 2008A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS, DEPPA First Albany Securities LLC, as representative of the Underwriters (the "Underwriters"), has offered to purchase the Series 2008A Bonds and will prepare a preliminary official statement ("Preliminary Official Statement") and will prepare a final official statement with respect to the Series 2008A Bonds (the "Official Statement") for use in the offering of the Series 2008A Bonds by the Underwriters; and

WHEREAS, the terms and conditions of the proposed purchase of the Series 2008A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by SIDA, the JSCB, the City, the School District and the Underwriters; and

WHEREAS, based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("MBBA") for the Series 2008 Project and made a preliminary determination that financing the Series 2008 Project through the Series 2008A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2008A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Series 2008 Project through the Series 2008A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

WHEREAS, the issuance of the Series 2008A Bonds is subject to approval thereof by SIDA;

NOW THEREFORE, BE IT RESOLVED that:

1. In consequence of the foregoing, the JSCB hereby determines to:

(a) undertake and complete the Series 2008 Project as agent of SIDA pursuant to the Installment Sale Agreement, in substantially the form attached hereto, with such amendments or modifications as the Chair or such other person designated by the Chair (referred to hereinafter individually and collectively as an "Authorized Officer") deems necessary under the circumstances upon advice of counsel to the JSCB;

(b) approve the issuance of the Series 2008A Bonds in accordance with the Indenture on substantially the terms set forth in the form of Indenture attached hereto, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon advice of counsel to the JSCB;

(c) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon advice of counsel to the JSCB;

(d) use the proceeds of the Series 2008A Bonds to accomplish the Central Tech Project and the Design Phase Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;

(e) approve a Tax Compliance Certificate among SIDA, the City, the JSCB and the School District (the "Tax Compliance Certificate"), in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2008A Bonds and upon advice of counsel to the JSCB;

(f) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "Continuing Disclosure Agreement") in connection with the issuance of the Series 2008A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law;

(g) obtain a Bond Insurance Policy on terms and conditions as the Authorized Officer shall approve;

(h) approve all other certificates and documents required in connection with the issuance and sale of the Series 2008A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the first stage of the Series 2008 Project and qualify the interest on the Series 2008A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the Tax Compliance Certificate and the Continuing Disclosure Agreement, the "Financing Documents").

2. Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Central Tech Project and Design Phase and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2008A Bonds based on the final terms of the Indenture and Bond Purchase Agreement and to share the required information with MBBA.

3. Upon a determination by an Authorized Officer and by SIDA, the City and the School District that financing the Central Tech Project and Design Phase by the Series 2008A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents.

4. In addition to the authority hereinabove granted, the Authorized Officer of the JSCB is hereby authorized and directed, for and in the name and on behalf of the JSCB, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to this resolution, as he determines may be necessary or desirable to consummate the transactions contemplated by this resolution, the Financing Documents and the other documents referred to above.

5. No covenant, stipulation, obligation or agreement contained in this resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the JSCB in his or her individual capacity. Neither the officials, directors, members, officers or employees of the JSCB, nor any person executing any of the Financing Documents or other documents referred to above on behalf of the JSCB, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

6. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

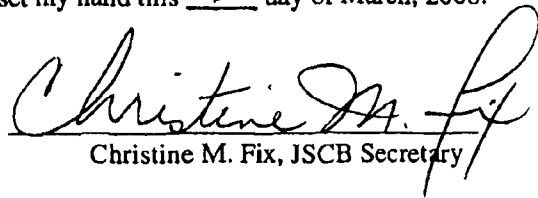
|                                  |        | Non-Voting Member |
|----------------------------------|--------|-------------------|
| Hon. Matthew J. Driscoll, Chair  | voting | <u>Y</u>          |
| Daniel G. Lowengard              | voting | <u>Absent</u>     |
| Hon. Calvin Corriders, Treasurer | voting | <u>Y</u>          |
| Dr. Ruben P. Cowart              | voting | <u>Y</u>          |
| Hon. Ned Deuel                   | voting | <u>Absent</u>     |
| Hon. Bea González                | voting | <u>Y</u>          |
| Hon. Laurie Menkin               | voting | <u>Abstain</u>    |
| Kenneth Mokrzycki                | voting | <u>Y</u>          |
| Hon. Van B. Robinson             | voting | <u>Y</u>          |
| Hon. William M. Ryan             | voting | <u>Y</u>          |

The resolution was declared adopted.

**CERTIFICATE**

I, Christine M. Fix, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), **HEREBY CERTIFY** that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on March 6, 2008 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

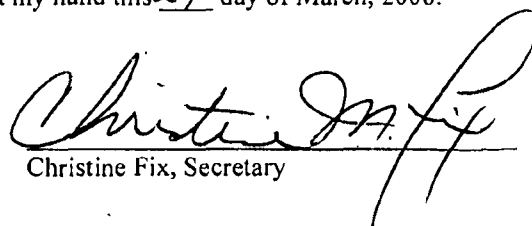
IN WITNESS WHEREOF, I have hereunto set my hand this 6 day of March, 2008.

  
Christine M. Fix, JSCB Secretary

CERTIFICATE

I, Christine Fix, Secretary of the Joint Schools Construction Board, Syracuse, New York, HEREBY CERTIFY that the foregoing annexed Resolution from the minutes of a meeting of the Board, duly called and held on March 6, 2008 has been compared by me with the original Resolution as officially adopted and recorded in my office in the Minute Book of said Board and is a true, complete and correct copy thereof and of the whole of said original Resolution so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 24 day of March, 2008.

  
Christine Fix, Secretary



JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 59 of 2015

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) APPROVING THE SELECTION OF A PROGRAM MANAGER FOR PHASE 2 OF THE SYRACUSE SCHOOLS RECONSTRUCTION PROJECT IN ACCORDANCE WITH APPLICABLE LAW.

The following resolution was offered by Charles Marikow, who moved its adoption, seconded by Edward Cuella, to-wit:

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") and Chapter 459 of the laws of 2013, as amended; and

WHEREAS, pursuant to the Act, the JSCB intends to undertake a project consisting of the planning, designing, construction, improvement, remodeling, repairing, furnishing and equipping of certain buildings and facilities of the City School District of the City of Syracuse (collectively, the "Project"), and

WHEREAS, pursuant to the Act, the JSCB is authorized to implement Phase 2 of the Project in accordance with the Comprehensive Plan adopted by the JSCB on January 29, 2015;

WHEREAS, the Act requires the approval of the State Comptroller as to the financial portion of the Comprehensive Plan and such approval was granted by a letter dated June 18, 2015 addressed to the Honorable Stephanie A. Miner, Mayor and JSCB Chair; and

NOW THEREFORE, BE IT RESOLVED, that;

1. The JSCB hereby approves the selection of Turner Construction as the JSCB's Phase II Program Manager ("PM") for an amount not to exceed fee of \$7,500,000.00 to be billed as a percentage (3.35%) of the Project's final actual direct construction cost in accordance with the contract attached hereto as Exhibit A.
2. The Chair of the JSCB is hereby authorized to execute, subject to the approval of the Corporation Counsel, a PM contract in substantially the same form as Exhibit A.
3. The resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

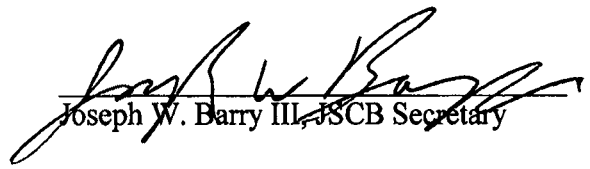
|                                    |        |            |
|------------------------------------|--------|------------|
| Hon. Stephanie A. Miner, Chair     | voting | <u>Yes</u> |
| Sharon L. Contreras (Jaime Allica) | voting | <u>Yes</u> |
| Charles P. Merrihew                | voting | <u>Yes</u> |
| Hon. Van B. Robinson               | voting | <u>Yes</u> |
| Calvin Corriders                   | voting | <u>Abs</u> |
| Sharon Owens                       | voting | <u>Yes</u> |
| Edward Cuello                      | voting | <u>Yes</u> |

The resolution was declared adopted.

**CERTIFICATE**

I, Joseph W. Barry III, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on August 27, 2015 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 27<sup>th</sup> day of August, 2015.

  
 Joseph W. Barry III, JSCB Secretary

**JSCB Board Meeting 8-27-15****PROGRAM MANAGER AGREEMENT**

Agreement made this \_\_\_ day of August, 2015 by and between the Joint Schools Construction Board, a New York State authorized public board organized and existing under Chapter 58 A-4 of the Laws of 2006, as amended, having offices at Room 300, Law Department, 233 East Washington Street, Syracuse, New York 13202 ("**JSCB**"), which acts on behalf of the City of Syracuse ("**City**") and the Syracuse City School District ("**School District**") (collectively hereafter referred to as "**JSCB**") and Turner Construction Company, a New York corporation, having offices located at 6320 Fly Rd., Suite 216, E. Syracuse, NY 13057 ("**Program Manager**"),

**WITNESSETH:**

**WHEREAS**, it is the intention of the JSCB to engage Program Manager to render program management services as set forth herein for Phase II of the JSCB School Renovation Program ("**Program**"); and

**WHEREAS**, each of the projects to be performed under the Program are public construction projects consisting of one or more school facilities subject to Chapter 58 A-4, Laws of 2006, as amended, the Charter of the City (1960, as amended), the New York State Education Law, and all other applicable laws, including but not limited to, those governing competitive bidding; and

**WHEREAS**, Program Manager responded to the JSCB's January 9, 2015 Request for Proposals ("**RFP**") and, based upon Program Manager's Response to the RFP ("**RFP Response**") and subsequent negotiations between the JSCB and Program Manager, the JSCB wishes to retain Program Manager and Program Manager wishes to render certain program management services to the JSCB in connection with the Program; and

**WHEREAS**, the JSCB authorized this Agreement with the Program Manager by Resolution # \_\_\_\_\_-2015, and this Agreement is subject to such authorization.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the JSCB and Program Manager agree as follows:

**SECTION 1: ENGAGEMENT**

101. The JSCB hereby engages Program Manager, and Program Manager hereby agrees to perform the services for the JSCB set forth in this Agreement in accordance with the terms and conditions and for the consideration set forth in this Agreement.

102. The person in charge of administering the services described in this Agreement on behalf of the JSCB shall be the City Engineer ("**JSCB Designee**").

103. The person responsible for the services to be performed by Program Manager shall be Chris Gray, Project Executive, or such other qualified person as is designated in writing by Program Manager and approved by the JSCB.

104. Unless specifically authorized herein, Program Manager shall not subcontract any of the services to be performed by it under this Agreement, unless approved in writing in advance by and at the discretion of the JSCB.

## **SECTION 2. JSCB'S RESPONSIBILITIES**

201. The JSCB shall, subject to Program Manager's proper performance of its obligations, render the approvals required for the payment for services under this Agreement, subject to the review and approval by the JSCB Designee of any documents deemed necessary by the JSCB to process a payment.

202. The JSCB Designee shall render decisions and furnish information to the Program Manager as set forth herein.

203. The JSCB shall retain architects/engineers to design and to prepare construction documents for the Projects to be completed.

204. The JSCB shall retain contractors to perform the construction of the project(s).

205. The JSCB shall retain contractors to remove, encapsulate, transport and dispose of any hazardous materials involved in the construction or use of the Project Sites in accordance with the requirements of applicable Federal and State law.

206. The JSCB shall retain one or more construction managers to provide construction management advisory services for the projects to be undertaken as part of the Program.

## **SECTION 3: SCOPE OF SERVICES**

301. Program Manager shall perform the services set forth in this Agreement. Program Manager's services include those set forth in Appendix A, Scope of Services. Program Manager's services also include such additional services as are set forth in Appendix C, excerpts from Program Manager's RFP Response. Program Manager's services shall be performed by those personnel set forth in Appendix B, Staffing Roster. Program Manager's services shall be performed by personnel assigned in accordance with the scopes of responsibility and corresponding hourly rates set forth in Appendix B, Staffing Roster.

301.1. Program Manager shall prepare a proposed Staffing Plan and submit same to the JSCB for its review and acceptance. To the extent the JSCB notifies the Program Manager of any objections with respect to any proposed or revised Program staffing plan, such plan shall be

revised accordingly and resubmitted to the JSCB for its review and acceptance. The Staffing Plan may be revised upon consent of both parties from time to time as conditions warrant. The Program Manager will endeavor to reduce staff levels where project demands and employee retention/continuity will permit same. Notwithstanding any Staffing Plan to the contrary, Program Manager will provide such staffing and resources as may be necessary to timely meet its obligations under this Agreement. Any revisions to the Staffing Plan shall be subject to the joint approval of the JSCB and the Program Manager.

302. In addition, the Program Manager shall render its services in a timely manner consistent with a Program schedule to be agreed upon between the parties hereto. Such schedule may be revised from time to time at the discretion of the JSCB Designee after consultation with the Program Manager. Where additional onsite and/or home office support staff are required to address JSCB priorities, Program Manager will prepare a Revised Staffing Plan and obtain JSCB approval prior to incurring costs or assigning additional staff.

303. Program Manager shall make such revisions or modifications to its work as may be required by the JSCB. Revisions or modifications required as a result of an error or inadequate performance by Program Manager will be performed at its own cost and expense.

304. All drawings, reports, and other documents prepared by the Program Manager under this Agreement (“**Materials**”) requiring JSCB or JSCB Designee approval shall be submitted to the JSCB Designee. The JSCB Designee shall arrange for review and respond to the Materials within thirty (30) calendar days, except in those cases whereby the JSCB's Designee reasonably determines that additional time is needed. In the event the JSCB Designee disapproves of any of the Materials, or any portion thereof or requires additional material to properly review the submission, Program Manager shall revise such disapproved Materials and submit the revisions to the JSCB Designee for review and approval. Where such revisions are necessitated due to an error or inadequate performance on the part of Program Manager, such revisions or modifications will be performed at its own cost and expense.

305. In performing the services required under this Agreement, Program Manager shall consult with the JSCB Designee and shall meet and confer with JSCB contractors, design professionals, construction managers, governmental representatives, neighborhood groups and/or such other persons or entities, as needed or as deemed reasonably necessary by the JSCB.

306. All personnel employed or retained by Program Manager in connection with its Program Management Services shall cooperate with the JSCB, the City and the School District and their personnel, contractors and consultants to the reasonable satisfaction of the JSCB. If an employee of Program Manager fails to cooperate with JSCB, City and/or School District personnel, contractors and consultants, the JSCB Designee may require Program Manager to relieve the employee of his Program Management duties in accordance with Section 10 herein.

307. Program Manager agrees and consents to cooperate with the JSCB in the negotiation of a Project Labor Agreement (“PLA”), and to execute and become bound to any PLA approved by the JSCB in accordance with applicable law, for the Phase II JSCB Schools Construction Program.

308. Program Manager is responsible for providing its own office space, facilities and equipment at its own expense.

309. Program Manager shall, at its own expense, provide a large furnished conference room located in Onondaga County with suitable restroom facilities for use by the JSCB through all preconstruction phases.

310. The Program Manager shall perform its services with the care, skill, judgment and diligence as is customarily exercised by competent program managers experienced in providing services for programs of this type, complexity and scope. The Program Manager represents that it possesses the training, skill, experience, personnel and resources needed to complete the agreed upon services in a manner that will allow for the orderly and timely progression of the Program over the contemplated schedule.

311. The Program Manager will provide the resources, skilled personnel, expertise and experience needed to timely, competently and properly perform the services called for in the Agreement. The Program Manager will provide personnel possessed of the skill, expertise, training, experience, judgment and diligence needed to timely and properly perform the services hereunder.

312. The Program Manager acknowledges that the construction involves a city school district which is subject to various laws and regulations of the State of New York. The Program Manager represents that it is familiar with such laws and regulations as they pertain to the administration, bidding and construction of school public works construction projects including, but not limited to, the requirements of Article 5 A of the General Municipal Law, § 100 et. seq., "Public Contracts"; Article 9 of the Education Law, §§ 401 et. seq., "School Buildings and Sites"; Sub Chapter J, Part 155 of Title 8, Chapter II of the Codes, Rules and Regulations of the State of New York (Regulations of the Commissioner of Education, "Educational Facilities"), Chapter 58 A-4, Laws of 2006, as amended, the Charter of the City (1960, as amended), and the New York State Education Law to the extent that they pertain to the Project. The Program Manager will perform all of its services in accordance with the requirements of these and other applicable laws, rules and regulations in effect as of the date of this Agreement, or enacted during the term of this Agreement and made known to the Program Manager.

313. The Program Manager shall assist the JSCB in preparation of filings required to be made with, and permits to be obtained from, governmental and quasi-governmental authorities having jurisdiction over the Program sufficiently in advance to permit such filings to be timely and fully made and such permits to be obtained within the time periods customarily required to make such filings and obtain such permits for projects of the type covered by this Agreement.

314. Except with the JSCB's knowledge and written consent, the Program Manager shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Program Manager's judgment with respect to this Project.

315. ***Timely Reporting of Claims Notices:*** The Program Manager shall, within ten (10) business days of receipt, provide JSCB with copies of any written notice of a claim it receives regarding the Program.

316. The Program Manager is not obligated to provide construction site office or meeting space.

#### **SECTION 4: INFORMATION TO BE FURNISHED TO PROGRAM MANAGER**

401. Upon written request from the Program Manager, the JSCB will provide Program Manager with specified and existing documents or materials in its possession that are necessary for performing Program Manager's services. Excluded from the foregoing are documents or materials identified as confidential by the JSCB Designee. The JSCB will assist the Program Manager in securing non-confidential documents or materials from other sources that are necessary for performing its services under this Agreement. Subject to applicable law, Program Manager will comply with any confidentiality requirements established in writing by the JSCB Designee with respect to information identified in advance and in writing to Program Manager as confidential. Such obligation will be limited to those documents identified as confidential. The Program Manager may reasonably rely on documentation provided by the JSCB which documentation is prepared specifically for use in performance of Program Manger's services and is designated for such use in writing. Program Manager may not rely upon as-built drawings as a depiction of existing conditions. Nothing herein shall relieve the Program Manager from its duty to gather any information necessary for performance of its services.

402. The licenses for the JSCB's use of the Construction Document Management System, and documents and other materials concerning the Program produced or received by the Program Manager shall be and remain the property of the JSCB whether or not the Program is undertaken or completed. The JSCB shall have the right to use such without limitation and without the payment of any additional compensation or reimbursement, provided, however, that the JSCB's license rights with respect to the use of the Construction Document Management System shall be subject to the terms and conditions imposed upon such use by the vendor thereof. Nothing contained herein shall prohibit the Program Manager from maintaining a copy for its records of all documents and materials generated in the course of performing its obligations pursuant to this Agreement.

#### **SECTION 5: TIME OF PERFORMANCE**

501. Program Manager shall perform all services under this Agreement at such times and in such sequence as may be directed by the JSCB Designee. It is understood and agreed by the Program Manager that time is of the essence in the performance of this Agreement.

502. The Program Manager shall advise and assist the JSCB in optimizing and obtaining timely receipt of New York State Building Aid. The Program Manager shall provide for ongoing reporting on compliance with New York State Building Aid requirements.

503. The Program schedule may be modified and/or re-sequenced as reasonably required by the JSCB Designee. The Program Manager agrees to adjust for and accord with such modifications and represents that the compensation provided for under this Agreement is adequate to accommodate such adjustment. The Program Manager hereby waives any right to request additional compensation beyond the limits provided for under this Agreement as a result of such changes.

504. Services subject to the Not-to-Exceed Limits set forth in this Agreement shall continue until the earlier of March 1, 2021 or Six (6) months after substantial completion for the Program as set forth in the original Program schedule hereafter approved by the JSCB and the Program Manager. Notwithstanding the foregoing, services related to construction closeout and N.Y. State Education Department (“SED”) project close out reporting which occur after such period ends are subject to the Not-to-Exceed Limits set forth in this Agreement until such services are completed and accepted by the SED.

**SECTION 6: COMPENSATION**

601. **Not-to-Exceed Fee:** The JSCB shall compensate Program Manager for proper performance of the services, as defined under section 310, required under this Agreement on a limited time and material basis subject to Dollar Limits derived from the Not-to-Exceed Limits as set forth in this Section. Program Manager’s compensation shall be limited to Costs Eligible for Reimbursement. Any costs incurred by Program Manager or its agents that are not Costs Eligible for Reimbursement as set forth herein shall be borne by the Program Manager at its own expense and risk.

602. **Overall Not-to-Exceed Limit:** Total Costs Eligible for Reimbursement shall not exceed **Three and Thirty Five One-Hundredths Percent (3.35%)** of final Actual Direct Construction Costs.

603. **Project Phase Not-to-Exceed Limits:** In addition, Costs Eligible for Reimbursement shall not exceed the cumulative limits set forth in the following table:

| Project Level Phases                   | Cumulative % of Not-to-Exceed Limit at end of Aggregate Project Level Phases |
|--|--|
| Pre-Design Phase                       | 10%  |
| Schematic Design Phase                 | 25 %   |
| Design Development Phase               | 40 %   |
| Contract Documents                     | 65 %   |
| Bidding Phase                          | 75 %   |
| Program Construction Phase             | 95 %   |
| Building Commissioning/Occupancy Phase | 97.5 %   |



**609. Eligible Non-Personnel Costs:** Provided Program Manager has properly discharged its services under this Agreement, the JSCB will reimburse Program Manager for the following specific Program expenses (at direct cost with no mark-up), subject to the constraints otherwise applicable to Costs Eligible for Reimbursement:

- 1) Travel at the direction of the JSCB to destinations more than 50 miles from City of Syracuse (IRS Mileage Rate);
- 2) Printing distribution copies of bidding documents;
- 3) Direct Construction Document Management System license fees and vender provided support services;
- 4) Direct Third-Party Training Program Provider Contract costs;

610. All Eligible Non-Personnel Costs must be approved in writing and in advance by the JSCB Designee.

**611. Eligible Personnel Costs:** JSCB shall pay Program Manager based on hourly Billing Rates for services required under this Agreement pursuant to the Staffing Roster and Billing Rate Table set forth in Appendix B. Any modifications to the Billing Rate Table must be approved in writing and in advance by the JSCB.

**612. Subconsultants:** Subconsultants, other than those compensated through Eligible Non-Personnel Costs, are eligible for reimbursement only to the extent they are approved in advance as shown on the Staffing Roster and Billing Rate Table set forth in Appendix B.

**613. Personnel Cost Constraints:** Personnel billing rates in excess of Two and Eight Tenths (2.8) multiplied by each individual's W-2 earnings divided by Two Thousand Eighty (2080) ( $2.8 \times (W-2/2080)$ ) are not eligible for reimbursement. With respect to the preceding sentence the 2.8 multiplier shall be the lower multiplier set forth in Program Manager's RFP response for each respective entity providing Program Management Services. Personnel billing rates in excess of Two Hundred Dollars per hour are not eligible for reimbursement. Personnel billing rates may not increase at any rate greater than two percent (2%) times the rates set forth in the original rate schedule once each year.

614. Approved personnel billing rates are deemed to encompass each individuals base salary, all employee benefits, health or medical insurance, workers' compensation insurance, allowed absences, sick time, holidays, vacations, training, certifications, license renewals, bonding, pension and/or profit sharing, incentive bonuses, data processing, employer and employee taxes, unemployment compensation, social security, overhead, profit and any other expenses of any kind incurred by Program Manager. These items are not otherwise reimbursable.

615. Approved personnel billing rates are also deemed to encompass Program Manager's profit, overhead and all of Program Manager's expenses for offices, telecommunications, computer systems (other than the Construction Document Computer System), photocopy other than distribution copies of bidding documents, mail, insurance, utilities, non-billable

|                         |       |
|-------------------------|-------|
| Post Construction Phase | 100 % |
|-------------------------|-------|

604. Costs Eligible for Reimbursement in excess of the Dollar Limits derived from the above table shall not be reimbursable and shall be borne by Program Manager at its own expense and risk. For monthly payment applications, percentage limits between the intervals set forth in the above Table will be interpolated and then converted to Dollar Limits based upon the Overall Not-to-Exceed Limit.

604.1. Notwithstanding the foregoing, incurred costs that are not reimbursable solely because these limits have been reached may be billed upon completion of a subsequent Phase across all projects to the extent that the cumulative fee for that Phase is not otherwise consumed.

605. The above limits applicable to each Phase will be applied based upon the overall percent of completion of each construction project to be included in the Program. Overall Percentage of Program Completion will be based upon project cost weighted averaging of the percentage of completion of all anticipated projects within the Program each month. A monthly analysis estimating such percentages of completion shall be prepared by the Program Manager for the JSCB Designee's consideration. Such percentages of completion shall be determined by the JSCB Designee.

606. **Change in Not-to-Exceed Limit:** Budgeted Project construction costs will be used to preliminarily calculate the Dollar Limits derived from the Not-to-Exceed Limit percentages. The Dollar Limits will be adjusted to be based upon Actual Direct Construction Costs as they become known. If the JSCB's budgeted or actual construction costs are lowered, the Dollar Limits will be lowered in accordance with the Not-to-Exceed Limit percentages. Such reduction will not result in reduction of Not-to-Exceed Limits applicable to Costs incurred prior to the reduction but will apply to Costs billed pursuant to Section 604.1.

606.1 In the event Direct Construction Costs are reduced below the initial budgeted amount as a result of a material reduction of the scope of construction work to be performed, the following shall apply: Solely for purposes of calculating remaining unused Dollar Limits, the amount to be deducted from unused Dollar Limits for Eligible Costs incurred prior to such reduction in scope and paid will be reduced proportionate to such reduction in Direct Construction Costs. Eligible Costs in excess of Not-to-Exceed Limits in effect prior to such reduction will be eligible for reimbursement pursuant to Section 604.1 only under the reduced Not-to-Exceed Limits.

607. **Actual Direct Construction Costs** are the direct costs for construction, including site work, paid to the construction contractors for all of the construction projects undertaken as part of the Program. Actual Direct Construction Costs do not include consulting fees, design fees, construction manager fees, legal fees, financing costs, land acquisition or right-of-way expenses, furniture fixture and equipment expenses, or other incidental costs as defined by NYSED.

608. **Costs Eligible for Reimbursement:** Costs Eligible for Reimbursement shall be comprised of Eligible Personnel Costs and Eligible Non-Personnel Costs as set forth below.

transportation, and any other expenses incurred by Program Manager in operating its enterprise. These items are not otherwise reimbursable.

616. The following personnel costs are not eligible for reimbursement:

- 1) Time not directly spent solely on Program activity.
- 2) Time for holidays, illness, allowed absences, vacation, education, training, etc.
- 3) Time in excess of forty (40) hours per person per week.
- 4) Time spent as a result of any failure to properly perform the services required under this Agreement.

617. **Monthly Payment Requisitions:** Program Manager shall submit monthly payment requisitions for all Costs Eligible for Reimbursement in a form acceptable to the JSCB Designee.

618. All Costs Eligible for Reimbursement must be invoiced to the JSCB within 60 days of being incurred.

619. Payment requisitions shall include:

- 1) A description of the services performed broken down by person, applicable billing rate, number of hours worked and date worked;
- 2) A detailed breakdown of costs;
- 3) Certified payrolls for Program Manager personnel prepared in accordance with the New York State labor Law applicable to workers on public projects;
- 4) Program Manager's current diversity compliance forms and reports;
- 5) A working spreadsheet in Excel format showing the above information as well as calculation of the percentage of completion of all anticipated projects, the percentage of completion of the overall Program and the resulting phased based and overall not-to exceed limits;
- 6) A duly executed Release and Lien Waiver in the form attached hereto as Appendix "D"; and,
- 7) As needed by the JSCB Designee for audit purposes or to verify eligible costs.

620. The JSCB may, prior to making any payment under this Agreement, require Program Manager to submit to it back up documentation with respect to Program Manager's reimbursable costs and expenses as the JSCB Designee deems necessary to verify such costs and expenses. The JSCB shall pay each requisition provided Program Manager has properly discharged its services under this Agreement and is in compliance with the terms and conditions of this Agreement.

620.1. Program Manager's base hourly wage rates as referenced in §613 are subject verification. As the multipliers referred to in §613 were competitively procured, the Program Manager is not obligated to provide verification of how these amounts were derived.

620.2. The JSCB will make payments on invoices properly presented to the JSCB at least twenty (20) days in advance of a regularly scheduled JSCB meeting within ten days after such meeting.

621. **Retainage:** All payments for Eligible Costs shall be subject to a 5% deduction for retainage. The retainage shall be payable when the JSCB Designee approves Program Manager's final application for payment provided however, all other Program Manager's services required to be performed hereunder are satisfactorily completed. Notwithstanding the foregoing, retainage will not be held on payments for Direct Construction Document Management System license fees or Direct Third-Party Training Program Provider Contract costs except to the extent that retainage is being withheld pursuant to the agreements for said services.

622. **Supplemental Retainage:** In the event the Program Manager does not meet its responsibilities with respect to Program timelines as they relate New York State Building Aid requirements or JSCB diversity requirements within thirty (30) days after being notified by the JSCB of such failure, the JSCB may withhold five percent (5%) retainage in addition to that set forth in **Section 607** from future payments due Program Manager until compliance is achieved. To the extent permitted by law, if after ninety (90) days from the initial notification Program Manager continues to fail to meet such requirements, such withheld retainage shall be forfeited for each and every month until compliance is achieved. Any such forfeiture will be credited against actual damages sustained by the City. Nothing in this section shall impair any other remedies the City may have as a result of Program Manager's failure to meet its obligations.

623. **Record Retention and Availability:** Program Manager shall make available for JSCB's inspection and audit all of its payroll records for any Eligible Personnel Costs as well as its records and documents involving Eligible Non-Personnel Costs incurred and billed to JSCB at any time during the term of this Agreement and for a period of six (6) years thereafter.

624. **Independent Contractor:** Neither party hereto intends by this Agreement to establish an employer/employee arrangement. It is intended that Program Manager's relationship to the JSCB is that of an independent contractor.

## **SECTION 7: INDEMNIFICATION AND INSURANCE**

### **Indemnification**

701. To the fullest extent permitted by law, the Program Manager shall defend, indemnify, and hold harmless the JSCB, the City, the School District, the Agency issuing the Bonds (the "**Bonding Agency**"), and the officers and employees of any of them (the "**Indemnitees**") from and against any and all claims, damages, losses, expenses, suits, actions, liabilities, damages, fees, attorney's fees, costs, court costs, or disbursements of any kind or nature in whole or in part arising out performance of this Agreement by, or any act or omission of, the Program Manager or its officers, agents, employees or anyone directly or indirectly employed by Program Manager for whom it may be liable.

702. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist. In the event any negligence or fault is assigned or apportioned to any of the Indemnitees, this Agreement specifically includes partial indemnity of each Indemnitee. However, with respect to each Indemnitee, this indemnification is limited to any liability imposed over and above that percentage attributed to each Indemnitee.

### **Program Manager's Liability Insurance**

703. The Program Manager shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of New York such insurance as will protect the Program Manager from claims set forth below which may arise out of or result from the Program Manager's operations under this Agreement and for which the Program Manager may be legally liable, whether such operations be by the Program Manager or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under New York State Workers' Compensation, disability benefit and other similar employee benefit acts which are applicable to the work or services to be performed, private entities performing work or services at the site and exempt from such coverage on account of number of employees or occupation, shall maintain voluntary compensation coverage at the same limits specified for mandatory coverage for the duration of the Program;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Program Manager's employees, or those persons or entities excluded by statute from the requirements of 703 for which the Program Manager is required to provide the insurance required by 703.1;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Program Manager's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations;
- .8 Claims involving contractual liability applicable to the Program Manager's obligations under the Contract Documents; and
- .9 Liability insurance shall include all major divisions of coverage and be on a comprehensive basis including:
  - a. Premises Operations (including X, C, and U coverage as applicable).
  - b. Independent Contractor's Protective.
  - c. Products and Completed Operations.
  - d. Personal Injury Liability with Employment Exclusion deleted.
  - e. Contractual, including specified provisions for Program Manager's obligations under the Contract Documents.
  - f. Owned, non-owned and hired motor vehicle.

- g. Broad Form Property Damage including Completed Operations.
- h. Umbrella Excess Liability.

704. Left Blank.

705. The insurance required by §703 shall be written for not less than the following limits, or greater if required by law. Notwithstanding anything else to the contrary, coverages shall be written on an occurrence basis, and shall be maintained without interruption from the date of commencement of the Work until at least the expiration of the warranty period or such later date applicable to coverage required to be maintained after final payment. All coverage shall be provided by insurers admitted to write insurance in New York State (JSCB may waive this requirement if an alternative acceptable to JSCB is provided) and "Best's" rating of A or higher, Size Category "X" or greater.

- .1 Workers' Compensation:
  - a. State: Statutory
  - b. Employer's Liability:
    - \$100,000 per Accident
    - \$500,000 Disease, Policy Limit
    - \$100,000 Disease, Each Employee
  - c. If self-funded or group self-insured, provide Employer's Liability excess coverage of \$1,000,000.
  - d. This contract shall be unenforceable as against the Owner unless the Program Manager shall secure, and keep insured during the life of said contract, compensation insurance for the benefit of employees performing work hereunder, as provided by the Workmen's Compensation Law, and acts amendatory thereto.
- .2 Commercial General Liability ("CGL") (including Premises-Operations; Independent Program Managers' Protective; Products and Completed Operations; Broad Form Property Damage and Contractual):
  - a. Combined Single Limit:
    - \$2,000,000 General Aggregate
    - \$2,000,000 Products and Complete Operations Aggregate
    - \$1,000,000 Each Occurrence
    - \$1,000,000 Personal Injury and Adv. Injury
    - \$500,000 Fire Damage legal liability.
    - \$5,000 Medical Payments
  - b. Products and Complete Operations to be maintained for three (3) years after final payment. Program Manager shall furnish JSCB and each other additional insured, to whom a certificate of insurance has been issued,

evidence satisfactory to JSCB and any such additional insured of continuation of such insurance at final payment and each year thereafter.

- c. Property Damage Liability Insurance shall provide X, C and U coverage.
  - d. Property Damage Liability Insurance shall not contain any exclusion that deletes coverage for damage to the building or its contents as a result of influx of rain, snow or hail during the Work.
  - e. Broad Form Property Damage Coverage shall include Completed Operations.
  - f. Contractual Liability shall include indemnifications set forth in the Contract Documents.
  - g. Aggregate limit shall be on a per project basis and duly noted on the certificate of insurance. *For this sentence "project" refers to the JSCB Phase II program.*
  - h. Personal Injury coverage shall be with Employment Exclusion Deleted.
  - i. There shall be no endorsement or modification of the Program Managers CGL policy arising from pollution, explosion, collapse, underground property damage or work performed by Program Manager.
  - j. There shall be no exclusion or limitation relating to NYS Labor Law.
- .3 Business Auto Liability (including owned, non-owned and hired vehicles):
- a. Combined Single Limit: \$1,000,000

.4 Contractors Pollution Liability:

\$2,000,000 Per Loss  
\$2,000,000 Annual Aggregate

This insurance shall cover losses caused by pollution conditions that arise from the operations of the Contractor with no exclusions relating to fungus, mold, microbial matter or asbestos. Coverage may be written on a claims-made basis..

.5 Umbrella Excess Liability:

**\$10,000,000** each occurrence over primary insurance.  
\$10,000 retention for self-insured hazards each occurrence.  
Umbrella Coverage shall be "follow form" over the General Liability and Auto Liability Coverages.

.6 Third Party Fidelity (Crime):

\$1,000,000 per loss Joint Schools Construction Board, the City of Syracuse, the Syracuse City School District and the Bonding Agency as loss payee

- .7 The above policies, with the exception of Workers' Compensation shall name the JSCB, the City, the Syracuse City School District and the Bonding Agency as Additional Insureds for both ongoing and completed operations, shall include coverage for the respective officers, directors, members, partners, employees, agents and consultants of each and any of all such additional insureds, shall contain a provision that this policy will be the primary, non-contributory coverage with no third party liability exclusion and shall apply to for any claim arising out of this Program. The following clause shall be added:

"The insurance afforded to the additional insured is primary insurance. If the additional insured has other insurance which is applicable to the loss on an excess or contingent basis, that insurance will be excess over this insurance, and not coinsurance, and the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance."

- .8 Any deductible, if applicable to loss covered by insurance provided by the Program Manager, shall be borne by the Program Manager.
- .9 The Commercial General Liability policy shall utilize both Additional Insured forms CG 2010 and CG 2037, or their equivalent, and will show evidence of endorsement on the face of the certificate of insurance.
- .10 The Commercial General Liability policy (General Aggregate) shall be endorsed to include CG 25 03 - Aggregate Limits of Insurance (Per Project), or its equivalent.

706. A Certificate of Insurance substantiating that the Program Manager has obtained all required insurance coverages shall be filed in duplicate with the JSCB within ten (10) days of the execution of the Agreement between the Program Manager and the JSCB. The Certificate shall indicate on the face that the JSCB, the City, the Syracuse City School District, and the Bonding Agency are additional insureds. No work shall be performed by the Program Manager until such certificates have been provided. The certificate shall provide that the policy shall not be changed, canceled, or allowed to lapse until thirty (30) days after written notice has been given to the JSCB, the City, the Syracuse City School District, and the Bonding Agency.

707. Approval of these Certificates of Insurance by the JSCB, the City, the School District, and the Bonding Agency shall not relieve or decrease the liability of the Program Manager hereunder. The Program Manager shall not allow any of its sub-contractors to commence work until all the insurance required by the sub-contractor has been obtained. If any of the foregoing insurance coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Program Manager with reasonable promptness.



708. No representation is made that the insurance coverage and limits established in this Contract necessarily will be adequate to protect Program Manager.

709. The insurance and insurance limits required herein shall not be deemed as a limitation on Program Manager's liability under the indemnities granted in this Agreement.

710. The Program Manager shall submit to the JSCB six (6) executed copies of Certificates of Insurance on ACORD Form 25S. In addition, the Program Manager shall provide the JSCB copies of any endorsements subsequently issued amending coverage or limits. The Program Manager shall, upon request of the JSCB Designee, submit true copies of all policies specified.

711. **INSURANCE CERTIFICATES AND POLICIES.** The Certificates of Program Manager's General Liability Insurance are to be filed with the JSCB.

712. If any of the insurance terminates or is reduced before the Contract is completed or during the period of completed operations coverage, and the Program Manager fails to maintain continuance of such insurance, the JSCB is entitled to provide the protection for itself, to pay the premiums, and to charge the cost to the Program Manager.

713. The insurance requirements set out in this Article are independent from all other obligations of Program Manager under this Agreement and apply whether or not required by any other provision of this Agreement.

714. Neither the JSCB, the City, the Syracuse City School District, the Bonding Agency or the JSCB Designee shall have any duty to Program Manager or to any of its insurers or their insurance agents to review any certificates or copies of insurance furnished by Program Manager or to determine whether the terms of each certificate or policy of insurance comply with the insurance-related provisions of the Agreement. A failure to detect that Program Manager has not submitted certificates, or proper certificates, or is otherwise not in compliance with the insurance-related provisions of the Agreement shall not be considered a waiver or other impairment of any of the rights of the JSCB, the City, the Syracuse City School District, or the Bonding Agency under such insurance-related provisions.

715. The Program Manager may use umbrella or excess liability insurance to achieve the required coverage for Comprehensive General Liability and Automobile Liability, provided that such umbrella or excess insurance results in the same type of coverage as required for the individual policies.

716. **Professional Liability Insurance:** The Program Manager shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of New York Professional Liability covering the Program Manager's negligent acts, errors or omissions in its performance of services with policy limits of not less than Twenty Five Million Dollars (\$25,000,000.00) per claim and in the aggregate.

717. All of the insurance policies provided by the Program Manager pursuant to this Agreement shall be issued by a company or companies licensed to do business in New York

State. With respect to any policies which are issued on a "claims made" basis, in the event such policies are canceled or not renewed, the Program Manager shall provide a substitute insurance policy or policies with terms and conditions and in the amounts which comply with the terms of this Agreement and which provides for retroactive coverage to the date of cancellation or nonrenewal to fill any gaps in coverage which may exist due to the cancellation or nonrenewal of the prior "claims made" policy. With respect to all "claims made" policies which are renewed, the Program Manager shall provide coverage retroactive to the date of commencement of the work under this Agreement. All said substitute or renewed "claims made" policies shall be maintained in full force and effect for three years from the date of final completion of the Program.

718. The Program Manager shall provide to the JSCB certificates of insurance evidencing compliance with the insurance requirements set forth in the Agreement. The certificates will include copies of the Additional Insured endorsements as set forth above on the Comprehensive General Liability, Automobile Liability, umbrella or excess policies.

### **Owner's Builders Risk Insurance**

719. The Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a special form basis policy which includes coverage in the amount of the Completed Value for the entire Project on a replacement cost basis. Such property insurance shall be maintained until final payment has been made.

### **Waiver of Subrogation**

720. Program Manager and the JSCB hereby waive all rights of subrogation against each other, the City, the School District, the JSCB Designee, the Bonding Agency, the project Architects, the project Construction Managers, and their respective agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the CGL, Builders Risk, Auto, Umbrella/Excess, and/or Worker's Compensation and Employer's Liability coverage required herein. Such waiver of subrogation shall be mutual between parties and stipulated as such in all agreements. Copies of the endorsements evidencing such will be attached to the certificate.

## **SECTION 8: DIVERSITY PROGRAM**

801. Program Manager shall at all times meet the diversity goals for the Program Manager as they relate to its workforce as established by the JSCB's *Phase 2 Development and Diversification Plan for Workforce and Business for the Program* and shall comply with all terms and conditions set forth in said Diversity Program.

802. The Program Manager shall incorporate appropriate language in all contracts to be entered into by the JSCB requiring project wide compliance with the JSCB's *Phase 2 Development and Diversification Plan for Workforce and Business for the Program*. The Program Manager shall regularly monitor and report to the JSCB the status of compliance and any noncompliance with said Diversity Program. The Program Manager shall advise and

recommend to the JSCB appropriate remedies in an effort to induce conformance with said Diversity Program by applicable Program contractors.

## **SECTION 9: TERMINATION**

**901. Termination for Convenience:** The JSCB may terminate the Program Manager's right to complete performance of this Agreement upon five (5) business days written notice for the JSCB's convenience and without cause. Such termination shall be effected by a written notice from the JSCB or the JSCB Designee to the Program Manager. If this Agreement is terminated for convenience by the JSCB as provided herein, Program Manager will be paid by the JSCB as set forth in Section 6 for Costs Eligible for Reimbursement properly incurred and performed: 1) prior to the date of termination; and, 2) after the date of termination to the extent authorized in advance in writing by the JSCB Designee where necessary to protect the interests of the JSCB during Program Manager's demobilization.

901.1. In the event of a termination, costs that were not eligible for reimbursement because the phase based limits set forth at Section 600 had been reached and which are not reimbursable based upon the percentage of completion of the current phase, are forfeited and Program Manager waives any right to recovery of such costs.

**902. Termination for Cause:** If, in the opinion of the JSCB, Program Manager at any time shall refuse or fail to provide sufficient skilled workers or proper materials, fail in any respect to timely prosecute its responsibilities, fail to comply with the material provisions of this Agreement, makes a general assignment for the benefit of its creditors or if a receiver should be appointed on account of Program Manager's insolvency, then, upon fifteen (15) calendar days written notice, JSCB may without prejudice to any other remedies: (i) take reasonable steps to overcome the condition in which case Program Manager shall be liable to JSCB for the direct and indirect costs of such action; or (ii) terminate the Program Manager's right to complete performance of its services for default (provided the Program Manager shall have not cured such default during the seven (7) calendar days following Program Manager's receipt of such written notice). In the event more than two (2) such notices are given in any 12 month period, Program Manager waives any right to cure such subsequent default. In any of such events JSCB may accept the assignment of any or all subcontracts or purchase orders involving the Program, and complete the Program Manager's obligations by itself, through others, or by whatever method or methods the JSCB deems expedient. In case of termination for default, Program Manager shall not be entitled to receive any further payment. Nothing in this Section shall impair such other remedies as may be available to the JSCB.

903. In addition to any other provisions of this Agreement with respect to termination, the Program Manager's right to complete performance of its services shall terminate immediately upon the filing by or against Program Manager of any petition (voluntary or involuntary) in bankruptcy or for reorganization or for any arrangement under any bankruptcy or insolvency law or for a receiver or for a trustee involving any property of Program Manager.

**904. Termination by the Program Manager for Cause:**

904.1. If the JSCB fails to make payments to the Program Manager in accordance with this Agreement, the Program Manager shall give the JSCB written notice of such default. If the JSCB does not, within sixty (60) days from receipt of the notice, make the payment or give the Program Manager reasonable and written justification for same based upon a material breach or default, such failure may be considered substantial nonperformance and cause for termination or, at the Program Manager's option, cause for suspension of performance of services under this Agreement. If the Program Manager elects to suspend services, the Program Manager shall give an additional ten (10) days' written notice to the JSCB before suspending services. In the event of a proper suspension of services, the Program Manager shall have no liability to the JSCB for delay or damage caused the JSCB because of such suspension of services.

904.2. If the JSCB suspends the Program for more than ninety (90) consecutive days, the Program Manager may be equitably compensated for expenses necessarily incurred in the interruption and resumption of the Program Manager's services.

904.3. If the JSCB suspends the Program for more than 120 cumulative days for reasons other than the fault of the Program Manager, the Program Manager may terminate this Agreement by giving not less than thirty (30) days' written notice.

**905. No Lost Profits or Opportunity Costs:** In no event shall the Program Manager shall be compensated for lost opportunity costs or loss of anticipated profit on the value of services not performed or materials not provided.

906. Notwithstanding any termination, Program Manager shall not be relieved of liability to the JSCB for damages sustained by the JSCB due to Program Manager's failure to properly and timely perform its obligations under this Agreement. The JSCB may withhold any payments to Program Manager for the purpose of setoff or until such time as the damages due to the JSCB from Program Manager are finally determined.

907. All of the obligations of the Program Manager pertaining to insurance, defense and indemnification shall survive termination of the Agreement.

908. Except as set forth in §1412 of this agreement, the Program Manager agrees to make no claim against the JSCB or its Agents for costs or damages in excess of the Not to Exceed Fee resulting from delay, acceleration, disruption or interference in the performance of the Contract. The Program Manager expressly waives any rights it may now or hereafter have to recover costs or damages from the JSCB or its Agents in excess of the Not to Exceed Fee for any delay, acceleration, disruption or interference in the performance of the Contract.

909. In the event that the Program Manager is terminated, the JSCB shall immediately have access to all Program work product, including but not limited to the CMS data, papers, drawings, records of meetings, emails, and any other relevant documents needed to continue the Program. The Program Manager shall continue to cooperate with the JSCB in the transition to a new Program Manager, provided, however, that the Program Manager shall be entitled to compensation for Costs Eligible for Reimbursement for services rendered in conjunction with such transition. This paragraph shall survive termination of the agreement.

909.1. The Program Manager shall be liable to the JSCB for liquidated damages in the amount of \$500 per day in the event it fails to cooperate in the transition after termination. This obligation shall survive the termination of this agreement.

910. Upon receipt of a notice of termination, and-except as otherwise directed in writing by the JSCB Designee, the Program Manager shall:

910.1. Discontinue all terminated services; or

910.2 Take such action as may be necessary or as the JSCB may prescribe for the protection and preservation of all property in the possession or control of the Program Manager in which the JSCB, under the provisions of the Agreement, has or may acquire an interest.

910.3. Notwithstanding the foregoing, should the notice of termination relate to only a portion of the work covered by the Agreement, the Program Manager will proceed with the completion of such portions of the work as are not terminated.

## **SECTION 10: PROGRAM MANAGER PERSONNEL**

1001. All of Program Manager's consultants and key staffing personnel, including project managers, shall be subject to the prior written approval of the JSCB Designee. Program Manager shall submit to the JSCB Designee the names and backgrounds of such consultants and key staffing personnel within 15 days following the execution of this Agreement or 60 days prior to the commencement of the work by such consultants and/or key staffing personnel.

### **1002. *Staffing Modifications by JSCB:***

1002.1. The JSCB, acting directly or through the JSCB Designee, may direct a decrease of personnel for JSCB's convenience and without cause upon Thirty (30) days prior written notice. The JSCB is not responsible for the consequences of such direction unless advance specific written notice is received from the Program Manager detailing the consequences and any damages resulting from such direction. Such Notice must be received within Fifteen (15) days after delivery of the Owner's written notice to decrease personnel.

1002.2. The JSCB Designee, may direct removal or replacement of personnel found to be unsatisfactory to the JSCB or JSCB Designee upon fifteen (15) days' prior written notice.

1002.3. Removal or replacement of personnel for reasonable cause shall not be subject to the foregoing time constraint.

1003. Any proposed change in (1) Program Manager's consultants, or (2) individual Program Manager key staffing positions from those approved by the JSCB Designee or occurring any time during the life of the overall Program, must first be submitted in writing, along with supporting information, to the JSCB Designee for review and approval. No changes shall be made without prior written approval of the JSCB Designee.

1004. Program Manager Staff Turnover: The Program Manager's personnel committed to the Program may not be reassigned away from the Program except upon consent of the JSCB Designee, which consent may be withheld. Program Manager's part-time personnel commitment levels may not be reduced except upon consent of the JSCB Designee, which consent may not be unreasonably withheld. These constraints shall not apply to personal who are no longer employed by or associated with the PM, its successors or assigns, or any of their affiliated entities. Levels may be adjusted at the discretion of the JSCB Designee.

## **SECTION 11: CONSTRUCTION DOCUMENT MANAGEMENT SYSTEM (“CMS”)**

1101. The Cost Construction Document Management System must be approved in advance by the JSCB. The compensable portion of this system is limited to licensing fees and vendor provided technical support for a web portal based file transfer site that will receive and store construction documents to a directory structure that corresponds to a properly detailed filing system for the Program and each underlying construction project. Such directory structure shall provide separate folders by category that correspond to all required submittals and all other documents commonly employed at the Program and project level. All documents are to be received in text searchable PDF format. A webpage shall be accessible by all project participants that will allow designable upload and transfer options for all Program and project documents. The website will employ drop-down menus to guide the transfer and storage of all such documents into the directory structure.

1102. The Construction Document Management System shall provide for ongoing mirroring of all stored documents and files on servers controlled by the JSCB and allow for electronic transfer of all stored documents to the JSCB when requested.

1103. All other computer systems needed to perform Program Manager's services, shall be provided at Program Manager's own expense. These include, but are not limited to, the following: cost estimating; scheduling; construction document generation, other construction management systems.

1104. The Construction Document Management System must be approved in advance by the JSCB.

## **SECTION 12: THIRD-PARTY TRAINING PROGRAM**

1201. The Third-Party Training Program Provider must be approved in advance by the JSCB.

## **SECTION 13: TERMS AND CONDITIONS**

1301. This Agreement, its terms and conditions and any claims arising therefrom, shall be governed by the Laws of New York State regardless of its conflicts of laws provisions. Program Manager shall comply with all applicable laws, ordinances and codes of the United States, the

State of New York (including but not limited to Chapter 58 A-4 of the Laws of 2006, as amended) and the City applicable to its services under this Agreement.

1302. The parties agree that each and every provision of law required by law to be included in this Agreement shall be deemed to be included as though set forth at length and that this Agreement does not waive or dispense with the requirements of any law, including but not limited to the Charter of the City.

1303. Any action brought to enforce the terms and conditions of this Agreement will be brought in the New York State Supreme Court located at Onondaga County, New York.

1304. The parties agree that they waive a trial by jury as to any and all claims, causes of action or disputes arising out of this Agreement or services to be provided under this Agreement. Notwithstanding any such claim, dispute, or legal action, Program Manager shall continue to perform all services under this Agreement in a timely manner unless otherwise directed by the JSCB, and the JSCB shall continue making payments due under this Agreement.

1305. Program Manager's acceptance of the final payment under this Agreement shall constitute and operate as a release from Program Manager to the JSCB of all claims and liabilities that Program Manager could assert against the JSCB, the City, the School District or the Bonding Agency arising out of the Program and the work hereunder, which are known or reasonably should have been known when final payment is made unless previously and timely transmitted to the JSCB in writing

1306. The JSCB and Program Manager each binds itself, its partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement.

1307. Program Manager shall at all times remain an independent contractor. Program Manager shall not have the authority to enter into agreements on the JSCB's behalf or otherwise bind the JSCB by its decisions and shall not hold itself out as the JSCB's agent without prior written authorization from the JSCB.

1308. Program Manager hereby agrees not to discriminate against any employee or applicant for employment on the basis of gender, race, age, sexual or affectional preference, or sexual orientation.

1309. Failure of either party to insist upon strict performance of any of the covenants or conditions of this Agreement shall not be construed as a waiver or relinquishment of any of the Agreement covenants or conditions, but the same shall remain in full force and effect.

1310. This Agreement incorporates the entire and integrated understanding and agreement of the parties hereto and supersedes any and all negotiations, representations or agreements made prior to the execution of this Agreement, whether oral or written.

1311. If any provision of this Agreement is held invalid, the balance of the provisions of this Agreement shall not be affected thereby if such remaining provisions continue to conform to the requirements of applicable laws.

1312. No modification or waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom the modification or waiver is sought to be enforced. No delay on the part of either party in exercising any of its rights or remedies hereunder shall operate as a waiver hereof. No waiver on the part of a party hereunder shall preclude any other or further exercise thereof or any right or remedy hereunder.

1313. References herein in the feminine gender shall also be construed to apply to the masculine gender, and vice versa.

1314. Except as otherwise specifically provided in this Agreement, whenever under this Agreement approvals, authorizations, determinations, satisfactions or waivers are required or permitted, such items shall be effective and valid only when given in writing signed by a duly authorized officer of the party against whom it applies. Any required Notices shall be delivered in hand or sent by mail, postage prepaid, to the party to whom it is directed, which until changed by written notice, are as follows:

**Program Manager:**

**Turner Construction Company  
6320 Fly Rd.  
Suite 216  
E. Syracuse, NY 13057**

**JSCB:**

**City Engineer  
Room 401 City Hall  
233 East Washington Street  
Syracuse, NY 13202**

**With a copy to:**

**Corporation Counsel of the City of Syracuse  
Room 300 City Hall  
233 East Washington Street  
Syracuse, NY 13202**

1315. The JSCB may order Program Manager in writing to suspend, delay or interrupt all or any part of its Program Management Services without cause for such period of time, not to exceed One Hundred Twenty (120) days, as the JSCB may determine to be appropriate for its convenience. No adjustment in rate schedules of durations shall be made if Program Manager is or otherwise would have been responsible for the suspension, delay or interruption.



1316. Program Manager shall not assign this Agreement, in whole or in part, without the prior written consent of the JSCB which consent will not be unreasonably withheld. A sale or other transfer of a majority of ownership of Program Manager shall be deemed an assignment.

1317. The services of this Agreement are for the sole benefit of the JSCB, the City, the School District, and the Bonding Agency and neither this Agreement nor any service rendered hereunder shall give rise to or shall be deemed to or construed so as to confer any right, claim, cause of action of any other party as a third party beneficiary or otherwise, and Program Manager agrees to defend, indemnify, and save harmless the JSCB, the City, the School District and the Bonding Agency and their officers and employees against any claims or causes of action by such third parties caused by or arising out of the acts or omissions of the Program Manager.

1318. This Agreement is subject to the JSCB's approval (acting through the City's MWBE Compliance Office) of Program Manager's Diversity Plan for its services to the Program.

1319. **No Claim in Equity:** It is agreed that this Agreement adequately addresses the rights and remedies of the parties hereto and provides adequate remedies as a matter of law. Accordingly, each party waives all rights to pursue an action in equity including an action for Quantum Meruit or unjust enrichment.

1320. Program Manager acknowledges that any recoverable costs that it may incur are subject to reasonable calculation employing normal cost tracking methodologies. Program Manager further acknowledges that it may suffer losses for which the Owner may not be responsible including: 1) losses resulting from Program Manager's failure to negotiate an adequate level of compensation; or, 2) Program Manager's failure to properly manage its own business affairs. Program manager further acknowledges that the use of a Total Cost Method for calculating damages at law or in equity fails to account for damages that would not be the Owner's responsibility and thus would not be recoverable from the Owner.

1321. **No Damages for Delay:** Notwithstanding anything to the contrary in this Agreement except § 1412 below, and to the fullest extent permitted by law: 1) The Program Manager agrees to make no claim against the JSCB for costs or damages resulting from delay, acceleration, disruption or interference in the performance of this Agreement; and, 2) the Program Manager expressly waives any rights it may now or hereafter have to recover costs or damages from the JSCB, for any delay, acceleration, disruption or interference in the performance of this Agreement.

1322. Nothing in the preceding paragraph shall impair the Program Manager's right to make a claim to recover for costs or damages resulting from delays, acceleration, disruption or interference caused by the malicious, or grossly negligent conduct of the JSCB.

1323. An extension of the Agreement time shall not be considered as justifying an increase in the Not-to-Exceed Limits.

1324. **Interest:** Any amounts due under this Agreement or as a result of a breach of this Agreement shall bear interest from the date the payment is due at a rate of four Percent (4%) per annum simple interest.

1325. JSCB will cause the following paragraph to be included in a construction contracts entered into by the JSCB with respect to Program construction work:

The Program Manager acts solely as the Owner's Representative. The Program Manager has no authority to issue extensions of contract time, change orders or other modifications of the Trade Contractor's agreement with the Owner. The Program Manager is not responsible for coordination, scheduling, budgeting or safe performance of the Trade Contractor's Work. Accordingly, the Trade Contractor agrees that it shall make no claims against the Program Manager with regard to the aforementioned items. The Trade Contractor shall include Program Manager as an additional insured on all its insurance policies and shall cause all such policies to include a waiver of subrogation in favor of the Program Manager. The Trade Contractor shall also include these provisions in all subcontracts of any tier.

#### **SECTION 14. CLAIMS**

1401. **Claims for Increase in Time or Amount:** Any claim for an increase in the cost or time provided for under this Agreement ("Agreement Time or Cost"), must be preceded by written notice of each such occurrence giving rise to such claim which notice must be given in writing to the JSCB within fifteen (15) calendar days of the occurrence giving rise to the claim. Such notice must specify each such occurrence, describe how the occurrence is affecting the Agreement Time or Cost, include an estimate of such additional Agreement Time or Cost, and set forth the probable effect of the occurrence on the progress of the work.

1402. Claims for increase in the Agreement Time or Cost shall be timely updated and detailed thereafter. Any additional costs shall be detailed and submitted to the JSCB within 30 days after they accrue.

1403. The Program Manager shall provide such additional supporting documentation as the JSCB may require including, where appropriate, a revised construction schedule indicating all the activities affected by the circumstances forming the basis of the claim.

1404. Failure to strictly comply with these requirements may, at the discretion of the JSCB Designee, be deemed sufficient cause to deny such claim.

1405. In planning all activity within the agreed Agreement time, it shall be assumed that the Program Manager has anticipated the amount of adverse weather conditions which can be reasonably anticipated at the project sites for the season or seasons of the year involved. Only those weather delays attributable to other than weather conditions that can be reasonably anticipated will be considered as a basis for an increase in the Agreement Time or Cost.

1406. The Program Manager shall not be entitled to a separate increase in the Agreement Time or Cost for each one of the number of events which may have concurrent or interrelated

effects on the progress of the work, or for concurrent events or occurrences for which the Program Manager bears responsibility.

1407. In the event any conflict or ambiguity exists between the sections of this Agreement or between this Agreement and any documents incorporated herein by reference, the conflict shall be resolved in favor of the JSCB whereby the Program Manager will provide the services or materials more beneficial to the JSCB as determined by the JSCB Designee.

1408. The JSCB Designee shall determine the amount, quality, acceptability, fitness and extent of progress of all services and work encompassed by or related to this Agreement. In addition, the JSCB Designee shall decide all questions of fact which may arise in relation to the interpretation of this Agreement.

1409. Any decision or determination of the JSCB Designee under the provisions of this Agreement shall be final, conclusive and binding on the Program Manager unless the Program Manager shall, within fifteen (15) business days after each such decision, make and deliver to the JSCB a verified statement of its contention that the decision of the JSCB Designee is contrary to the terms of this Agreement. The JSCB shall thereupon determine the validity of the Program Manager's contention. Pending decision of the JSCB, the Program Manager shall proceed in accordance with the JSCB Designee's decision.

1410. Wherever it is provided in the Agreement that an application must be made to the JSCB and/or determination made by the JSCB, the JSCB's decision on such application and/or its determination under the Agreement shall be final, conclusive and binding upon the Program Manager unless the same shall be determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith and unless the Program Manager, within fifteen (15) business days after receiving notice of the JSCB's decision or determination, files a written statement with the JSCB that it reserves its rights in connection with the matters covered by said decision or determination.

1410.1. The standard of review to be applied by a court set forth in §1410 shall not be applicable to any decisions by or directions of the JSCB or the JSCB Designee pertaining to changes in Program Manager staffing levels or changes in the sequencing of the work.

1411. **IMPORTANT NOTICE REGARDING CLAIM PROCEDURES:** The Program Manager's obligation to strictly follow the requirements of Section 1401, 1402 and 1409 in their entirety including the giving of timely and complete notice of a claim is a condition precedent to recovering under any claim. Failure of the Program Manager to strictly follow these requirements shall constitute waiver of the claim. An additional claim made after the initial claim has been made shall not be considered unless also submitted in accordance with this Section 14 and in a timely manner.

1412. Notwithstanding § 1321 to the contrary, upon timely notice to the JSCB Designee, and timely submission of supporting documentation, Program Manager may request an equitable adjustment to the Not-to-Exceed Fee to the extent required by material revisions or modifications to Program Manager's Scope of Services directed by the JSCB or the JSCB Designee.

**SECTION 15. CONFLICTS OF INTEREST**

1501. The Program Manager shall have no interest, nor acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services to the JSCB. The Program Manager agrees that in the rendering of services to the JSCB, no persons having any such interest shall be employed by the Program Manager. The Program Manager assumes full responsibility for knowing whether its employees, agents, or consultants have any such interest and in certifying the absence of such conflict of interest to the JSCB.

1502. During the course of performing services for the JSCB, the Program Manager agrees to disclose immediately to the JSCB, by affidavit, every known or apparent conflict of interest and every ostensible or potential conflict of interest of the Program Manager, its employees, agents, and consultants. The Program Manager agrees that disclosure is a material obligation of this Agreement.

1503. A conflict of interest includes any circumstances which might influence or appear to influence the judgment of the Program Manager, and the Program Manager shall disclose the same. The Program Manager shall disclose further the acceptance of compensation, monetary or otherwise, from more than one payor, person or entity for services on the Project or in any way related to the Project. The Program Manager shall disclose further the direct or indirect solicitation or acceptance of financial or other consideration from parties other than the JSCB for work on the Project to which this Agreement pertains. If applicable, the Program Manager shall disclose further the direct or indirect acquisition of any interest in any of the real estate which is the subject of or in any way related to the Project or in the immediate vicinity thereof. A conflict of interest on the part of the Program Manager's employees, agents, or consultants shall be deemed a conflict of interest on the part of the Program Manager, giving rise to the same duty to disclose.

1504. The Program Manager agrees not to disclose any data, facts, or information concerning services performed by it for the JSCB or obtained while performing such services, except as authorized by the JSCB in writing or as may be required by law.

1505. This agreement has been voluntarily entered into after extensive negotiation between both parties. Both parties acknowledge that they have had full and fair opportunity to review, negotiate, and modify this agreement before electing to being bound thereby.

**IN WITNESS WHEREOF**, the parties have executed as of the date noted below.

Attest:

JSCB

By: \_\_\_\_\_  
JSCB Secretary

By: \_\_\_\_\_  
Stephanie A. Miner,  
JSCB Chair

STATE OF NEW YORK     )  
COUNTY OF ONONDAGA ) ss.:

On this \_\_\_ day of \_\_\_\_\_, 2015, before me personally came Stephanie A. Miner, as Chairman of the JSCB, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

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Notary Public

**Program Manager  
Turner Construction Company**

By: \_\_\_\_\_  
Carl E. Stewart, III,  
Vice President

STATE OF NEW YORK     )  
COUNTY OF                ).ss.:

On this \_\_ day of August, 2015, before me personally came Carl E. Stewart, III as Vice President, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 11 of 2017

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) AUTHORIZING THE ISSUANCE OF THE SERIES 2017 BONDS FOR REFUNDING PURPOSES AS SET FORTH HEREIN

**RESOLUTION**

- Whereas: the Joint Schools Construction Board of the City and the City School District (the "JSCB"), on behalf of the City of Syracuse (the "City") and the Syracuse City School District (the "School District"), previously requested, and the Syracuse Industrial Development Agency ("SIDA") did, issue and sell its revenue bonds in an aggregate principal amount of \$49,230,000 (the "*Series 2008A Bonds*") to finance all or a portion of the costs of the first stage of a project (the "Series 2008 Project") consisting of the design, equipping, reconstruction of, and the construction of an approximately 10,514 square foot addition to, the Central Tech Vocational School and the design, equipping and reconstruction of the Greystone Building and the design of rehabilitation and reconstruction of Projects to be undertaken in the second stage of the Series 2008 Project at Blodgett School, Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School; and
- Whereas: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, requested SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$75,000,000 (the "*Series 2010 Bonds*") to finance all or a portion of the costs of the second phase of the Series 2008 Project consisting of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and Fowler High School and additions thereto, including the approximate 45 thousand square foot addition to Fowler High School, and the acquisition and installation of certain equipment, fixtures and furnishings necessary and attendant to the use of the buildings as schools by the City and the School District; and
- Whereas: interest rates available in the national capital markets are below the rates on certain maturities of the Series 2008A Bonds and Series 2010 Bonds and the School District would like to realize the savings associated with refunding all or a portion of the Series 2008A Bonds and Series 2010 Bonds (the Series 2008A Bonds and Series 2010 Bonds are collectively referred to herein as the "Refunded Bonds"); and
- Whereas: the JSCB, on behalf of the City and the School District, has requested that SIDA issue and sell its revenue refunding bonds in an aggregate principal amount not to exceed \$53,000,000 (the "*Series 2017 Bonds*") to refund all or a portion of the Refunded Bonds, pay costs of issuing the Series 2017 Bonds and funding a debt service reserve for the Series 2017 Bonds; and

- Whereas: Raymond James & Associates, Inc., (the "*Underwriter*") has offered to purchase the Series 2017 Bonds and will prepare a preliminary official statement and a final official statement with respect to the Series 2017 Bonds (the "*Official Statement*") for use in the offering of the Series 2017 Bonds by the Underwriter; and
- Whereas: the terms and conditions of the proposed purchase of the Series 2017 Bonds by the Underwriter will be set forth in a Bond Purchase Agreement (the "*Bond Purchase Agreement*") to be entered into by SIDA, the City, the JSCB, the School District and the Underwriter; and
- Whereas: the issuance of the Series 2017 Bonds is subject to approval thereof by SIDA, the School District and the JSCB; now, therefore, be it
- Resolved: The JSCB hereby approves the issuance of the Series 2017 Bonds; and, be it further
- Resolved: In consequence of the foregoing, the JSCB hereby determines to:
- a) approve the execution and delivery of amendments to the financing documents executed by the JSCB in connection with the issuance of the Refunded Bonds as required to effect the refunding of all or a portion of the Refunded Bonds and the execution and delivery of all new documents required in connection with the issuance of the Series 2017 Bonds, with such amendments or modifications as the Chair or Vice-Chair of the JSCB (referred to hereinafter individually and collectively as an "*Authorized Officer*") deems necessary under the circumstances upon advice of the Corporation Counsel;
  - b) approve the issuance of the Series 2017 Bonds in accordance with an indenture or supplemental indenture prepared for the Series 2017 Bonds, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
  - c) approve all other certificates and documents required in connection with the issuance and sale of the Series 2017 Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the refunding of all or a portion of the Refunded Bonds and qualify the interest on the Series 2017 Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, the "*Financing Documents*");
  - d) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;



- e) use the proceeds of the Series 2017 Bonds to accomplish the refunding of all or a portion of the Refunded Bonds, to pay necessary incidental expenses and ,if required, to fund the Debt Service Reserve Fund in accordance with the Financing Documents.

Resolved: The JSCB hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter, (B) the execution and delivery by the Authorized Officer of the JSCB of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriter in the offering of the Series 2017 Bonds; and, be it further

Resolved: In addition to the authority hereinabove granted, the Authorized Officer of the JSCB is hereby authorized and directed, for and in the name and on behalf of the JSCB, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the Financing Documents, as he or she determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further

Resolved: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the JSCB in his or her individual capacity. The officials, directors, members, officers or employees of the JSCB, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the JSCB, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further

Resolved: This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

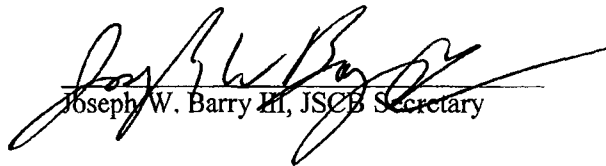
|                                |        |            |
|--------------------------------|--------|------------|
| Hon. Stephanie A. Miner, Chair | voting | <u>YES</u> |
| Jaime Alicea                   | voting | <u>YES</u> |
| Charles P. Merrihew            | voting | <u>YES</u> |
| Larry Williams                 | voting | <u>YES</u> |
| Calvin Corriders               | voting | <u>ABS</u> |
| Sharon Owens                   | voting | <u>YES</u> |
| Edward Cuello                  | voting | <u>ABS</u> |

The resolution was declared adopted.

**CERTIFICATE**

I, Joseph W. Barry III, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on January 26, 2017 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 26<sup>th</sup> day of January, 2017.

  
Joseph W. Barry III, JSCB Secretary

JOINT SCHOOLS CONSTRUCTION BOARD

RESOLUTION No. 133 of 2017

RESOLUTION OF THE BOARD OF DIRECTORS OF THE JOINT SCHOOLS CONSTRUCTION BOARD (JSCB) AUTHORIZING THE ISSUANCE OF THE SERIES 2018A BONDS TO FINANCE THE TRANCHE 1A PROJECT AS SET FORTH HEREIN

The following resolution was offered by Calvin Corridors, who moved its adoption, seconded by Charles Merriem, to-wit:

WHEREAS: The Joint Schools Construction Board of the City and the City School District (the "JSCB") was established pursuant Chapter 58 A-4 of the Laws of 2006, as amended (the "Act") of the State of New York (the "State") and an agreement dated April 1, 2004 by and between the City of Syracuse (the "City") and the Board of Education of the City School District of the City of Syracuse (the "School District"); and

WHEREAS, the Joint Schools Construction Board (hereinafter referred to as the "JSCB") was authorized by New York State through Chapter 58 A-4 of the laws of 2006 (the "Act") as amended by the laws of 2013 and 2014 to conduct Phase II of the Schools Reconstruction Program; and

WHEREAS: pursuant to the Act, the JSCB, acting on behalf of the School District and the City, submitted a financial plan in December, 2014 as amended and revised through the date hereof (the "Plan") relating to the Joint Schools Construction Program Phase II ("Phase II") as set forth in JSCB's Comprehensive Syracuse District-Wide Reconstruction Master Plan of the School District's Public Schools, as amended through the date hereof (the "Program") to the Office of the Comptroller of the State of New York (the "OSC"); and

WHEREAS: by letter dated September \_\_, 2017, OSC notified the JSCB of its approval of the Plan; and

WHEREAS: the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases, the first phase of which consisted of substantial rehabilitation and reconstruction of seven existing public school buildings of the School District (the "Series 2008 Project") and financing of the costs of the Series 2008 Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$180,000,000 (the "Phase I Bonds"); and

WHEREAS: Whereas the Series 2008 Project has been completed; and

WHEREAS: The JSCB and School District now wish to authorize and undertake Projects (as defined in the Act) identified in the Program for Phase II which consist of substantial rehabilitation and reconstruction of the fourteen existing public school buildings of the School District (the "Phase II Project") and financing of the costs of the Phase II Project with proceeds of revenue bonds issued by the City of Syracuse Industrial Development Agency ("SIDA") in the principal amount of up to \$300,000,000 (the "Bonds"); and

WHEREAS: pursuant to the Act and as contemplated in the Plan, the JSCB, on behalf of the City and the School District, has requested, SIDA issue and sell its revenue bonds in an aggregate principal amount not to exceed \$82,000,000 (the "Series 2018A Bonds") to finance all or a portion of the costs of the reconstruction, rehabilitation and improvement of Bellevue Elementary, Frazer Pre-K-

8 School, Ed Smith Pre-K-8 School and Grant Middle School (the "Buildings"), including the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium, and for all four schools, the acquisition and installation of certain equipment, fixtures and furnishings, related site work, parking improvements and landscaping (the "Equipment" and with the Buildings and additions thereto, the "Facilities" or the "Tranche IA Project") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and

WHEREAS: by letter dated September \_\_ 2017, the State Education Department notified the School District of its approval of the Tranche IA Project; and

WHEREAS: pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the City's Engineering Department and the JSCB reviewed the Tranche IA Project and the JSCB determined by resolutions adopted May 25, 2017 that the work associated with each school in the Tranche IA Project were Unlisted Actions that would will not have a significant adverse environmental impact and a Negative Declaration was issued for each; and

WHEREAS: pursuant to Section 11 of the Act, the JSCB, on behalf of the City and the School District, entered into a Program Manager Agreement dated August 28, 2015 with Turner Construction Company for Phase II of the Program, as the same may be amended or supplemented from time to time (the "Program Manager Agreement"); and

WHEREAS: SIDA, by the terms of an indenture or supplemental indenture prepared for the Series 2018A Bonds (the "Indenture") with Manufacturers and Traders Trust Company, as trustee (the "Trustee"), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Amendment No. 5 to the Installment Sale Agreement (as defined herein) (except for the Agency's Reserved Rights (as defined in the Indenture), State Aid Revenues and other moneys and property described in the Indenture as security for the Series 2018A Bonds; and

WHEREAS: SIDA, the City, the School District and the JSCB will enter into Amendment No. 5 to the Installment Sale Agreement (Tranche IA Project) ("Amendment No. 5 to Installment Sale Agreement"), pursuant to which SIDA will sell its interest in the Tranche IA Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Tranche IA Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2018A Bonds and other amounts due under Amendment No. 4 to the Installment Sale Agreement solely from and to the extent of State Aid Revenues (as defined in the Amendment No. 5 to the Installment Sale Agreement); and

WHEREAS: the City and the School District will enter into a Third Amendment to State Aid Trust Agreement with Manufacturers and Traders Trust Company, acting as Depository Bank (the "Depository") and the Trustee, to provide for, among other things, the payment of all State Aid Revenues into the State Aid Depository Fund (as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2018A Bonds, and, to the extent of any deficiency therein, to the Debt Service Reserve Fund, if any, and the balance to the General Fund (as defined therein); and

WHEREAS: pursuant to the Act, in the event that the City and the School District shall fail to make a payment due under Amendment No. 5 to the Installment Sale Agreement, SIDA (or the Trustee acting on its behalf), shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any state aid payable to the City for the benefit of the School District and immediately pay over same to the Agency (or the Trustee); and

WHEREAS: pursuant to the Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

WHEREAS: prior to the issuance and delivery of the Series 2018A Bonds, the Underwriters (as defined herein) will undertake efforts to apply for, and purchase, if and only if cost effective, a non-cancelable financial guaranty insurance policy (the "Bond Insurance Policy") with a reputable nationally recognized bond insurance company, which Bond Insurance Policy will provide for the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2018A Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS: Raymond James & Associates, Inc., as representative of the Underwriters (the "Underwriters"), has offered to purchase the Series 2018A Bonds and will prepare a preliminary official statement and will prepare a final official statement with respect to the Series 2018A Bonds (the "Official Statement") for use in the offering of the Series 2018A Bonds by the Underwriters; and

WHEREAS: the terms and conditions of the proposed purchase of the Series 2018A Bonds by the Underwriters will be set forth in a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by SIDA, the City, the School District and the Underwriters; and

WHEREAS: based on preliminary information provided by the Underwriters and the fee to be charged by SIDA, the JSCB made a preliminary comparison of the financing available from SIDA with the financing expected to be available from the New York State Municipal Bond Bank Agency ("MBBA") for the Tranche IA Project and made a preliminary determination that financing the Tranche IA Project through the Series 2018A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to the School District, the City, the JSCB and SIDA determining based on pricing and other information furnished by the Underwriters that financing the Tranche IA Project through the Series 2018A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to the approval by the Board of Education of the City, the City, and the Commissioner of Education of the plans and specifications relative to the Tranche IA Project in accordance with the Act; and

WHEREAS: the issuance of the Series 2018A Bonds is subject to approval thereof by SIDA, the City and the JSCB; now, therefore, be it

RESOLVED: the JSCB hereby determines that the Tranche IA Project is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City and will continue to be essential to such administration and to meet such needs throughout the term of Amendment No. 5 to the Installment Sale Agreement; and, be it further

RESOLVED: In consequence of the foregoing, the JSCB hereby determines to:

- (a) ratify the Program Manager Agreement, as amended, in accordance with the terms hereof;
- (b) grant or continue its license to SIDA to enter the Buildings for the purpose of undertaking and completing the Tranche IA Project pursuant to a license agreement, and sell to SIDA all Equipment necessary or attendant to the Tranche IA Project pursuant to the Bill of Sale, with such amendments or modifications as the Chair or Vice-Chair of the JSCB

- Board (referred to hereinafter individually and collectively as an "Authorized Officer") deems necessary under the circumstances upon advice of the Corporation Counsel;
- (c) sell its interest in the Facilities to SIDA pursuant to Amendment No. 5 to the Installment Sale Agreement, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel;
  - (d) approve the issuance of the Series 2018A Bonds in accordance with the Indenture, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
  - (e) approve the Third Amendment to the State Aid Trust Agreement and direct the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund, with such amendments or modifications as an Authorized Officer deems necessary under the circumstances upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
  - (f) approve the Bond Purchase Agreement on such terms and in the form approved by an Authorized Officer upon approval of the Corporation Counsel and the Commissioner of Finance of the City;
  - (g) use the proceeds of the Series 2018A Bonds to accomplish the Tranche IA Project, to pay necessary incidental expenses and to fund the Debt Service Reserve Fund in accordance with the Indenture;
  - (h) approve a Tax Compliance Certificate, or an amendment thereto, among SIDA, the City, the JSCB and the School District (the "Tax Compliance Certificate"), in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2018A Bonds and upon approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
  - (i) approve a Continuing Disclosure Agreement among the City, the JSCB, the School District and the Trustee (the "Continuing Disclosure Agreement") in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings and required under applicable law and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
  - (j) approve an Environmental Compliance and Indemnification Agreement in favor of SIDA (the "Environmental Compliance Agreement"), on such terms and in the form as the Authorized Officer shall approve based on a recommendation from counsel to the JSCB that such terms and conditions are customary for similar financings through SIDA and the approval thereof by the Corporation Counsel and the Commissioner of Finance of the City;
  - (k) obtain, if cost effective as set forth herein, a Bond Insurance Policy on terms and conditions as the Authorized Officer and the Commissioner of Finance of the City;
  - (l) approve all other certificates and documents required in connection with the issuance and sale of the Series 2018A Bonds and any other documents as may be required by Bond Counsel or the Underwriters or otherwise required to accomplish the Tranche IA Project

and qualify the interest on the Series 2018A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the Program Manager Agreement, the License, the Bill of Sale, the Amendment No. 5 to the Installment Sale Agreement, the Bond Purchase Agreement, the Indenture, the Third Amendment to State Aid Trust Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Environmental Compliance Agreement, the "Financing Documents");

RESOLVED: Pursuant to Section 16 of the Act, it is the duty of the School District, the City, the JSCB and SIDA to compare the financing available from SIDA with the financing available from the MBBA for the Tranche IA Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefore and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2018A Bonds based on the final terms of the Indenture and Bond Purchase Contract and to share the required information with MBBA; and, be it further

RESOLVED: Upon a determination by an Authorized Officer and by SIDA, the JSCB and the City that financing the Tranche IA Project by the Series 2018A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents; and, be it further

RESOLVED: The JSCB hereby authorizes (A) the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriters, (B) the execution and delivery by the Authorized Officer of the JSCB of the final Official Statement, and (C) the use of the Preliminary Official Statement and final Official Statement by the Underwriters in the offering of the Series 2018A Bonds; and, be it further

RESOLVED: In addition to the authority hereinabove granted, the Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the JSCB, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 2 - 5 of this Resolution, as he or she determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above; and, be it further

RESOLVED: No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the JSCB in his or her individual capacity. The officials, directors, members, officers or employees of the JSCB, nor any person executing or any of the Financing Documents or other documents referred to above on behalf of the JSCB, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof; and, be it further

RESOLVED: This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was put to a vote on roll call, which resulted as follows:

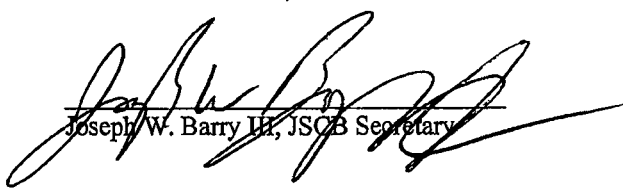
|                                       |               |            |
|---------------------------------------|---------------|------------|
| Hon. Stephanie A. Miner, <i>Chair</i> | <i>voting</i> | <u>Yes</u> |
| Jaime Alicea                          | <i>voting</i> | <u>Yes</u> |
| Charles P. Merrihew                   | <i>voting</i> | <u>Yes</u> |
| Larry Williams                        | <i>voting</i> | <u>Yes</u> |
| Calvin Corriders                      | <i>voting</i> | <u>Yes</u> |
| Sharon Owens                          | <i>voting</i> | <u>Yes</u> |

The resolution was declared adopted.

**CERTIFICATE**

I, Joseph W. Barry III, Secretary of the Board of Directors of the Joint Schools Construction Board (the "JSCB"), HEREBY CERTIFY that the foregoing annexed extract from the minutes of a regular meeting of the Board of Directors of the JSCB duly called and held on September 28, 2017 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said JSCB and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand this 28<sup>th</sup> day of September, 2017.

  
Joseph W. Barry III, JSCB Secretary



**EXHIBIT "C"**  
**BY-LAWS**

Dated: July 12, 2006

BY-LAWS OF  
THE JOINT SCHOOLS CONSTRUCTION BOARD

Article I

THE JSCB

Section 1. Name

The name of the Joint Schools Construction Board shall be the "Joint Schools Construction Board", and it shall be referred to in these by-laws as the "JSCB". The JSCB shall operate as the agent of the City of Syracuse (the "City") and the Syracuse City School District (the "SCSD") as authorized by New York State pursuant to legislation entitled "the City of Syracuse and the Board of Education of the City School District of the City of Syracuse cooperative school reconstruction act".

Section 2. Seal

The seal of the JSCB shall be in such form as may be determined by the Members of the JSCB.

Section 3. Office

The principal office of the JSCB shall be located in Room 203, City Hall, 233 East Washington Street, City of Syracuse, New York, County of Onondaga, and State of New York. The JSCB may have such other offices at such other places as the Members of the JSCB may, from time to time, designate by resolution.

Article II

MEMBERS

Section 1. Members

(a) There shall be eleven (11) Members of the JSCB.

All references in these by-laws to Members shall be references to Members of the JSCB. The persons designated in the April 1, 2004 City/School District joint schools construction board agreement (hereinafter referred to as the "JSCB Agreement"), as filed in the office of the City Clerk, as Members of the JSCB and their successors in office and such other persons as may, from time to time, be appointed as Members of the JSCB in accordance with the JSCB Agreement, or by special act of the Legislature, shall constitute all the Members.

(b) Members shall hold office in accordance with the terms of the JSCB Agreement.

(c) Members may resign at any time by giving written notice to the Chairman of the JSCB. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman. Acceptance of the resignation shall not be necessary to make it effective.

Section 2. Meeting of the Members

(a) Meetings of the JSCB shall be held on such date or dates as shall be fixed, from time to time, by the Chairman of the JSCB.

(b) Regular meetings of the JSCB may be held at such time and place as, from time to time, may be determined by the Chairman.

(c) Upon the written request of the Chairman, the Chairman of the JSCB shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings. The call for a special meeting may be personally delivered to each Member of the JSCB, may be sent electronically if a Member has a designated email address, or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the JSCB. In the absence of the Chairman, any Member directed by the Chairman to be temporary Chairman may preside or if the Chairman is unable to appoint said temporary Chairman, the temporary Chairman shall be appointed by a majority of the Members.

(b) At all meetings of Members, a majority of the Members of the JSCB shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the JSCB that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of business

At all meetings of the JSCB, the following shall be the order of business:

- (1) Roll Call;
- (2) Proof of Notice of Meeting;
- (3) Reading and approval of the minutes of the previous meeting;
- (4) Bills and communications;
- (5) Report of the Treasurer;
- (6) Reports of Committees;
- (7) Unfinished business;
- (8) New business;
- (9) Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the JSCB.

(e) Resolutions shall be made by motion and shall be in writing if requested by the Chairman or a majority of the Members and shall be recorded in the Meeting Minutes of the proceedings of the JSCB, as kept by the JSCB's Secretary.

### Article III

#### OFFICERS AND PERSONNEL

##### Section 1. Officers

The officers of the JSCB shall be the Chairman, Secretary, Treasurer, and such other offices as may be prescribed, from time to time, by the JSCB. The JSCB Secretary, who does not need to be a Member to serve, shall be appointed by the JSCB to serve at the JSCB's pleasure.

##### Section 2. Chairman

The Chairman shall be chief executive officer of the JSCB, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the JSCB, and shall carry out the orders and resolutions of the JSCB. Except as otherwise authorized by resolution of the JSCB, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments

of the JSCB on behalf of the JSCB.

Section 3. Secretary

The Secretary shall keep the minutes of the JSCB, shall have the custody of the seal of the JSCB and shall affix and attest the same to documents when duly authorized by the JSCB, shall attest to the giving or serving of all notices of the JSCB, shall have charge of such books and papers as the Members of the JSCB may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to the office.

Section 4. Treasurer

The Treasurer, who shall not need to be a Member to serve, shall have the care and custody of all the funds and securities of the JSCB, shall deposit such funds in the name of the JSCB, in such bank or trust company as the Members of the JSCB may elect, shall sign such instruments as may require the Treasurer's signature, but only with the approval of the Chairman, shall at all reasonable times exhibit the books and accounts of the JSCB to the City, Syracuse City School District "SCSD") or any Member of the JSCB, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the JSCB.

Section 5. Additional Personnel

The JSCB may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the JSCB, subject to the direction of the JSCB. The JSCB may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by its enabling legislation "the City of Syracuse and Board of Education of the City School District of the City of Syracuse cooperative school reconstruction act", as amended, and all other laws of the State of New York applicable thereto.

Section 6. Compensation of Chairman or Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Members, Officers, and support staff of the JSCB shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the JSCB.



## Article IV

### AMENDMENTS

#### Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the JSCB, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by regular or electronic mail to each Member and the Chairman at least five (5) days prior to the date of the meeting at which it is proposed that such action be taken.

## Article V

### MISCELLANEOUS

#### Section 1. Sureties and Bonds

In case the JSCB shall so require, any officer, employee or agent of the JSCB shall execute to the JSCB a bond in such sum and with such surety or sureties as the JSCB may direct, conditioned upon the faithful performance of his or her duties to the JSCB and including responsibility for negligence and for the accounting for all property, funds or securities of the JSCB which may come into the hands of the officer, employee or agent.

#### Section 2. Indemnification

(a) To the extent permitted by law, the JSCB shall indemnify and defend any Member, officer or employee of the JSCB,

the City or the SCSD, made a party to a claim, suit, action, or any other litigation or proceeding arising from the conduct of their official duties as a Member or conducting JSCB official business as support staff as authorized by the aforementioned JSCB agreement.

(b) The foregoing rights of indemnification shall not be exclusive of other rights to which any Member, officer, employee of the JSCB, City or SCSD may be entitled.

(c) The JSCB may procure or cause to be procured any insurance as it deems necessary for Members, officers and employees as authorized by law.

### Section 3. Fiscal Year

The fiscal year of the JSCB shall be the same as the City and SCSD's fiscal year (July 1 through June 30).

### Section 4. Powers of the JSCB

The JSCB shall have all the powers set forth in its New York State enabling act cited as "the City of Syracuse and the Board of Education of the City School District of the City of Syracuse cooperative school reconstruction act" as amended, the JSCB Agreement, and to the extent permitted by law, shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.

## PROGRAM MANAGER AGREEMENT

Agreement made this 23 day of August, 2015 by and between the Joint Schools Construction Board, a New York State authorized public board organized and existing under Chapter 58 A-4 of the Laws of 2006, as amended, having offices at Room 300, Law Department, 233 East Washington Street, Syracuse, New York 13202 ("JSCB"), which acts on behalf of the City of Syracuse ("City") and the Syracuse City School District ("School District") (collectively hereafter referred to as "JSCB") and Turner Construction Company, a New York corporation, having offices located at 6320 Fly Rd., Suite 216, E. Syracuse, NY 13057 ("Program Manager"),

### WITNESSETH:

**WHEREAS**, it is the intention of the JSCB to engage Program Manager to render program management services as set forth herein for Phase II of the JSCB School Renovation Program ("Program"); and

**WHEREAS**, each of the projects to be performed under the Program are public construction projects consisting of one or more school facilities subject to Chapter 58 A-4, Laws of 2006, as amended, the Charter of the City (1960, as amended), the New York State Education Law, and all other applicable laws, including but not limited to, those governing competitive bidding; and

**WHEREAS**, Program Manager responded to the JSCB's January 9, 2015 Request for Proposals ("RFP") and, based upon Program Manager's Response to the RFP ("RFP Response") and subsequent negotiations between the JSCB and Program Manager, the JSCB wishes to retain Program Manager and Program Manager wishes to render certain program management services to the JSCB in connection with the Program; and

**WHEREAS**, the JSCB authorized this Agreement with the Program Manager by Resolution # 59-2015, and this Agreement is subject to such authorization.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the JSCB and Program Manager agree as follows:

### SECTION 1: ENGAGEMENT

101. The JSCB hereby engages Program Manager, and Program Manager hereby agrees to perform the services for the JSCB set forth in this Agreement in accordance with the terms and conditions and for the consideration set forth in this Agreement.

102. The person in charge of administering the services described in this Agreement on behalf of the JSCB shall be the City Engineer ("JSCB Designee").

103. The person responsible for the services to be performed by Program Manager shall be Chris Gray, Project Executive, or such other qualified person as is designated in writing by Program Manager and approved by the JSCB.

104. Unless specifically authorized herein, Program Manager shall not subcontract any of the services to be performed by it under this Agreement, unless approved in writing in advance by and at the discretion of the JSCB.

## **SECTION 2. JSCB'S RESPONSIBILITIES**

201. The JSCB shall, subject to Program Manager's proper performance of its obligations, render the approvals required for the payment for services under this Agreement, subject to the review and approval by the JSCB Designee of any documents deemed necessary by the JSCB to process a payment.

202. The JSCB Designee shall render decisions and furnish information to the Program Manager as set forth herein.

203. The JSCB shall retain architects/engineers to design and to prepare construction documents for the Projects to be completed.

204. The JSCB shall retain contractors to perform the construction of the project(s).

205. The JSCB shall retain contractors to remove, encapsulate, transport and dispose of any hazardous materials involved in the construction or use of the Project Sites in accordance with the requirements of applicable Federal and State law.

206. The JSCB shall retain one or more construction managers to provide construction management advisory services for the projects to be undertaken as part of the Program.

## **SECTION 3: SCOPE OF SERVICES**

301. Program Manager shall perform the services set forth in this Agreement. Program Manager's services include those set forth in Appendix A, Scope of Services. Program Manager's services also include such additional services as are set forth in Appendix C, excerpts from Program Manager's RFP Response. Program Manager's services shall be performed by those personnel set forth in Appendix B, Staffing Roster. Program Manager's services shall be performed by personnel assigned in accordance with the scopes of responsibility and corresponding hourly rates set forth in Appendix B, Staffing Roster.

301.1. Program Manager shall prepare a proposed Staffing Plan and submit same to the JSCB for its review and acceptance. To the extent the JSCB notifies the Program Manager of any objections with respect to any proposed or revised Program staffing plan, such plan shall be revised accordingly and resubmitted to the JSCB for its review and acceptance. The Staffing Plan may be revised upon consent of both parties from time to time as conditions warrant. The Program Manager will endeavor to reduce staff levels where project demands and employee

retention/continuity will permit same. Notwithstanding any Staffing Plan to the contrary, Program Manager will provide such staffing and resources as may be necessary to timely meet its obligations under this Agreement. Any revisions to the Staffing Plan shall be subject to the joint approval of the JSCB and the Program Manager.

302. In addition, the Program Manager shall render its services in a timely manner consistent with a Program schedule to be agreed upon between the parties hereto. Such schedule may be revised from time to time at the discretion of the JSCB Designee after consultation with the Program Manager. Where additional onsite and/or home office support staff are required to address JSCB priorities, Program Manager will prepare a Revised Staffing Plan and obtain JSCB approval prior to incurring costs or assigning additional staff.

303. Program Manager shall make such revisions or modifications to its work as may be required by the JSCB. Revisions or modifications required as a result of an error or inadequate performance by Program Manager will be performed at its own cost and expense.

304. All drawings, reports, and other documents prepared by the Program Manager under this Agreement ("Materials") requiring JSCB or JSCB Designee approval shall be submitted to the JSCB Designee. The JSCB Designee shall arrange for review and respond to the Materials within thirty (30) calendar days, except in those cases whereby the JSCB's Designee reasonably determines that additional time is needed. In the event the JSCB Designee disapproves of any of the Materials, or any portion thereof or requires additional material to properly review the submission, Program Manager shall revise such disapproved Materials and submit the revisions to the JSCB Designee for review and approval. Where such revisions are necessitated due to an error or inadequate performance on the part of Program Manager, such revisions or modifications will be performed at its own cost and expense.

305. In performing the services required under this Agreement, Program Manager shall consult with the JSCB Designee and shall meet and confer with JSCB contractors, design professionals, construction managers, governmental representatives, neighborhood groups and/or such other persons or entities, as needed or as deemed reasonably necessary by the JSCB.

306. All personnel employed or retained by Program Manager in connection with its Program Management Services shall cooperate with the JSCB, the City and the School District and their personnel, contractors and consultants to the reasonable satisfaction of the JSCB. If an employee of Program Manager fails to cooperate with JSCB, City and/or School District personnel, contractors and consultants, the JSCB Designee may require Program Manager to relieve the employee of his Program Management duties in accordance with Section 10 herein.

307. Program Manager agrees and consents to cooperate with the JSCB in the negotiation of a Project Labor Agreement ("PLA"), and to execute and become bound to any PLA approved by the JSCB in accordance with applicable law, for the Phase II JSCB Schools Construction Program.

308. Program Manager is responsible for providing its own office space, facilities and equipment at its own expense.

309. Program Manager shall, at its own expense, provide a large furnished conference room located in Onondaga County with suitable restroom facilities for use by the JSCB through all preconstruction phases.

310. The Program Manager shall perform its services with the care, skill, judgment and diligence as is customarily exercised by competent program managers experienced in providing services for programs of this type, complexity and scope. The Program Manager represents that it possesses the training, skill, experience, personnel and resources needed to complete the agreed upon services in a manner that will allow for the orderly and timely progression of the Program over the contemplated schedule.

311. The Program Manager will provide the resources, skilled personnel, expertise and experience needed to timely, competently and properly perform the services called for in the Agreement. The Program Manager will provide personnel possessed of the skill, expertise, training, experience, judgment and diligence needed to timely and properly perform the services hereunder.

312. The Program Manager acknowledges that the construction involves a city school district which is subject to various laws and regulations of the State of New York. The Program Manager represents that it is familiar with such laws and regulations as they pertain to the administration, bidding and construction of school public works construction projects including, but not limited to, the requirements of Article 5 A of the General Municipal Law, § 100 et. seq., "Public Contracts"; Article 9 of the Education Law, §§ 401 et. seq., "School Buildings and Sites"; Sub Chapter J, Part 155 of Title 8, Chapter II of the Codes, Rules and Regulations of the State of New York (Regulations of the Commissioner of Education, "Educational Facilities"), Chapter 58 A-4, Laws of 2006, as amended, the Charter of the City (1960, as amended), and the New York State Education Law to the extent that they pertain to the Project. The Program Manager will perform all of its services in accordance with the requirements of these and other applicable laws, rules and regulations in effect as of the date of this Agreement, or enacted during the term of this Agreement and made known to the Program Manager.

313. The Program Manager shall assist the JSCB in preparation of filings required to be made with, and permits to be obtained from, governmental and quasi-governmental authorities having jurisdiction over the Program sufficiently in advance to permit such filings to be timely and fully made and such permits to be obtained within the time periods customarily required to make such filings and obtain such permits for projects of the type covered by this Agreement.

314. Except with the JSCB's knowledge and written consent, the Program Manager shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Program Manager's judgment with respect to this Project.

315. ***Timely Reporting of Claims Notices:*** The Program Manager shall, within ten (10) business days of receipt, provide JSCB with copies of any written notice of a claim it receives regarding the Program.

316. The Program Manager is not obligated to provide construction site office or meeting space.

#### **SECTION 4: INFORMATION TO BE FURNISHED TO PROGRAM MANAGER**

401. Upon written request from the Program Manager, the JSCB will provide Program Manager with specified and existing documents or materials in its possession that are necessary for performing Program Manager's services. Excluded from the foregoing are documents or materials identified as confidential by the JSCB Designee. The JSCB will assist the Program Manager in securing non-confidential documents or materials from other sources that are necessary for performing its services under this Agreement. Subject to applicable law, Program Manager will comply with any confidentiality requirements established in writing by the JSCB Designee with respect to information identified in advance and in writing to Program Manager as confidential. Such obligation will be limited to those documents identified as confidential. The Program Manager may reasonably rely on documentation provided by the JSCB which documentation is prepared specifically for use in performance of Program Manager's services and is designated for such use in writing. Program Manager may not rely upon as-built drawings as a depiction of existing conditions. Nothing herein shall relieve the Program Manager from its duty to gather any information necessary for performance of its services.

402. The licenses for the JSCB's use of the Construction Document Management System, and documents and other materials concerning the Program produced or received by the Program Manager shall be and remain the property of the JSCB whether or not the Program is undertaken or completed. The JSCB shall have the right to use such without limitation and without the payment of any additional compensation or reimbursement, provided, however, that the JSCB's license rights with respect to the use of the Construction Document Management System shall be subject to the terms and conditions imposed upon such use by the vendor thereof. Nothing contained herein shall prohibit the Program Manager from maintaining a copy for its records of all documents and materials generated in the course of performing its obligations pursuant to this Agreement.

#### **SECTION 5: TIME OF PERFORMANCE**

501. Program Manager shall perform all services under this Agreement at such times and in such sequence as may be directed by the JSCB Designee. It is understood and agreed by the Program Manager that time is of the essence in the performance of this Agreement.

502. The Program Manager shall advise and assist the JSCB in optimizing and obtaining timely receipt of New York State Building Aid. The Program Manager shall provide for ongoing reporting on compliance with New York State Building Aid requirements.

503. The Program schedule may be modified and/or re-sequenced as reasonably required by the JSCB Designee. The Program Manager agrees to adjust for and accord with such modifications and represents that the compensation provided for under this Agreement is adequate to accommodate such adjustment. The Program Manager hereby waives any right to

request additional compensation beyond the limits provided for under this Agreement as a result of such changes.

504. Services subject to the Not-to-Exceed Limits set forth in this Agreement shall continue until the earlier of March 1, 2021 or Six (6) months after substantial completion for the Program as set forth in the original Program schedule hereafter approved by the JSCB and the Program Manager. Notwithstanding the foregoing, services related to construction closeout and N.Y. State Education Department (“SED”) project close out reporting which occur after such period ends are subject to the Not-to-Exceed Limits set forth in this Agreement until such services are completed and accepted by the SED.

**SECTION 6: COMPENSATION**

601. *Not-to-Exceed Fee:* The JSCB shall compensate Program Manager for proper performance of the services, as defined under section 310, required under this Agreement on a limited time and material basis subject to Dollar Limits derived from the Not-to-Exceed Limits as set forth in this Section. Program Manager’s compensation shall be limited to Costs Eligible for Reimbursement. Any costs incurred by Program Manager or its agents that are not Costs Eligible for Reimbursement as set forth herein shall be borne by the Program Manager at its own expense and risk.

602. *Overall Not-to-Exceed Limit:* Total Costs Eligible for Reimbursement shall not exceed **Three and Thirty Five One-Hundredths Percent (3.35%)** of final Actual Direct Construction Costs.

603. *Project Phase Not-to-Exceed Limits:* In addition, Costs Eligible for Reimbursement shall not exceed the cumulative limits set forth in the following table:

| Project Level Phases                   | Cumulative % of Not-to-Exceed Limit at end of Aggregate Project Level Phases |
|--|--|
| Pre-Design Phase                       | 10%  |
| Schematic Design Phase                 | 25 %   |
| Design Development Phase               | 40 %   |
| Contract Documents                     | 65 %   |
| Bidding Phase                          | 75 %   |
| Program Construction Phase             | 95 %   |
| Building Commissioning/Occupancy Phase | 97.5 %   |
| Post Construction Phase                | 100 %  |

604. Costs Eligible for Reimbursement in excess of the Dollar Limits derived from the above table shall not be reimbursable and shall be borne by Program Manager at its own expense



and risk. For monthly payment applications, percentage limits between the intervals set forth in the above Table will be interpolated and then converted to Dollar Limits based upon the Overall Not-to-Exceed Limit.

604.1. Notwithstanding the foregoing, incurred costs that are not reimbursable solely because these limits have been reached may be billed upon completion of a subsequent Phase across all projects to the extent that the cumulative fee for that Phase is not otherwise consumed.

605. The above limits applicable to each Phase will be applied based upon the overall percent of completion of each construction project to be included in the Program. Overall Percentage of Program Completion will be based upon project cost weighted averaging of the percentage of completion of all anticipated projects within the Program each month. A monthly analysis estimating such percentages of completion shall be prepared by the Program Manager for the JSCB Designee's consideration. Such percentages of completion shall be determined by the JSCB Designee.

606. **Change in Not-to-Exceed Limit:** Budgeted Project construction costs will be used to preliminarily calculate the Dollar Limits derived from the Not-to-Exceed Limit percentages. The Dollar Limits will be adjusted to be based upon Actual Direct Construction Costs as they become known. If the JSCB's budgeted or actual construction costs are lowered, the Dollar Limits will be lowered in accordance with the Not-to-Exceed Limit percentages. Such reduction will not result in reduction of Not-to-Exceed Limits applicable to Costs incurred prior to the reduction but will apply to Costs billed pursuant to Section 604.1.

606.1 In the event Direct Construction Costs are reduced below the initial budgeted amount as a result of a material reduction of the scope of construction work to be performed, the following shall apply: Solely for purposes of calculating remaining unused Dollar Limits, the amount to be deducted from unused Dollar Limits for Eligible Costs incurred prior to such reduction in scope and paid will be reduced proportionate to such reduction in Direct Construction Costs. Eligible Costs in excess of Not-to-Exceed Limits in effect prior to such reduction will be eligible for reimbursement pursuant to Section 604.1 only under the reduced Not-to-Exceed Limits.

607. **Actual Direct Construction Costs** are the direct costs for construction, including site work, paid to the construction contractors for all of the construction projects undertaken as part of the Program. Actual Direct Construction Costs do not include consulting fees, design fees, construction manager fees, legal fees, financing costs, land acquisition or right-of-way expenses, furniture fixture and equipment expenses, or other incidental costs as defined by NYSED.

608. **Costs Eligible for Reimbursement:** Costs Eligible for Reimbursement shall be comprised of Eligible Personnel Costs and Eligible Non-Personnel Costs as set forth below.

609. **Eligible Non-Personnel Costs:** Provided Program Manager has properly discharged its services under this Agreement, the JSCB will reimburse Program Manager for the following

specific Program expenses (at direct cost with no mark-up), subject to the constraints otherwise applicable to Costs Eligible for Reimbursement:

- 1) Travel at the direction of the JSCB to destinations more than 50 miles from City of Syracuse (IRS Mileage Rate);
- 2) Printing distribution copies of bidding documents;
- 3) Direct Construction Document Management System license fees and vendor provided support services;
- 4) Direct Third-Party Training Program Provider Contract costs;

610. All Eligible Non-Personnel Costs must be approved in writing and in advance by the JSCB Designee.

611. **Eligible Personnel Costs:** JSCB shall pay Program Manager based on hourly Billing Rates for services required under this Agreement pursuant to the Staffing Roster and Billing Rate Table set forth in Appendix B. Any modifications to the Billing Rate Table must be approved in writing and in advance by the JSCB.

612. **Subconsultants:** Subconsultants, other than those compensated through Eligible Non-Personnel Costs, are eligible for reimbursement only to the extent they are approved in advance as shown on the Staffing Roster and Billing Rate Table set forth in Appendix B.

613. **Personnel Cost Constraints:** Personnel billing rates in excess of Two and Eight Tenths (2.8) multiplied by each individual's W-2 earnings divided by Two Thousand Eighty (2080) ( $2.8 \times (W-2/2080)$ ) are not eligible for reimbursement. With respect to the preceding sentence the 2.8 multiplier shall be the lower multiplier set forth in Program Manager's RFP response for each respective entity providing Program Management Services. Personnel billing rates in excess of Two Hundred Dollars per hour are not eligible for reimbursement. Personnel billing rates may not increase at any rate greater than two percent (2%) times the rates set forth in the original rate schedule once each year.

614. Approved personnel billing rates are deemed to encompass each individuals base salary, all employee benefits, health or medical insurance, workers' compensation insurance, allowed absences, sick time, holidays, vacations, training, certifications, license renewals, bonding, pension and/or profit sharing, incentive bonuses, data processing, employer and employee taxes, unemployment compensation, social security, overhead, profit and any other expenses of any kind incurred by Program Manager. These items are not otherwise reimbursable.

615. Approved personnel billing rates are also deemed to encompass Program Manager's profit, overhead and all of Program Manager's expenses for offices, telecommunications, computer systems (other than the Construction Document Computer System), photocopy other than distribution copies of bidding documents, mail, insurance, utilities, non-billable transportation, and any other expenses incurred by Program Manager in operating its enterprise. These items are not otherwise reimbursable.

616. The following personnel costs are not eligible for reimbursement:

- 1) Time not directly spent solely on Program activity.
- 2) Time for holidays, illness, allowed absences, vacation, education, training, etc.
- 3) Time in excess of forty (40) hours per person per week.
- 4) Time spent as a result of any failure to properly perform the services required under this Agreement.

617. **Monthly Payment Requisitions:** Program Manager shall submit monthly payment requisitions for all Costs Eligible for Reimbursement in a form acceptable to the JSCB Designee.

618. All Costs Eligible for Reimbursement must be invoiced to the JSCB within 60 days of being incurred.

619. Payment requisitions shall include:

- 1) A description of the services performed broken down by person, applicable billing rate, number of hours worked and date worked;
- 2) A detailed breakdown of costs;
- 3) Certified payrolls for Program Manager personnel prepared in accordance with the New York State labor Law applicable to workers on public projects;
- 4) Program Manager's current diversity compliance forms and reports;
- 5) A working spreadsheet in Excel format showing the above information as well as calculation of the percentage of completion of all anticipated projects, the percentage of completion of the overall Program and the resulting phased based and overall not-to exceed limits;
- 6) A duly executed Release and Lien Waiver in the form attached hereto as Appendix "D"; and,
- 7) As needed by the JSCB Designee for audit purposes or to verify eligible costs.

620. The JSCB may, prior to making any payment under this Agreement, require Program Manager to submit to it back up documentation with respect to Program Manager's reimbursable costs and expenses as the JSCB Designee deems necessary to verify such costs and expenses. The JSCB shall pay each requisition provided Program Manager has properly discharged its services under this Agreement and is in compliance with the terms and conditions of this Agreement.

620.1. Program Manager's base hourly wage rates as referenced in §613 are subject verification. As the multipliers referred to in §613 were competitively procured, the Program Manager is not obligated to provide verification of how these amounts were derived.

620.2. The JSCB will make payments on invoices properly presented to the JSCB at least twenty (20) days in advance of a regularly scheduled JSCB meeting within ten days after such meeting.

621. **Retainage:** All payments for Eligible Costs shall be subject to a 5% deduction for retainage. The retainage shall be payable when the JSCB Designee approves Program Manager's final application for payment provided however, all other Program Manager's services required to be performed hereunder are satisfactorily completed. Notwithstanding the foregoing, retainage will not be held on payments for Direct Construction Document Management System license fees or Direct Third-Party Training Program Provider Contract costs except to the extent that retainage is being withheld pursuant to the agreements for said services.

622. **Supplemental Retainage:** In the event the Program Manager does not meet its responsibilities with respect to Program timelines as they relate New York State Building Aid requirements or JSCB diversity requirements within thirty (30) days after being notified by the JSCB of such failure, the JSCB may withhold five percent (5%) retainage in addition to that set forth in **Section 607** from future payments due Program Manager until compliance is achieved. To the extent permitted by law, if after ninety (90) days from the initial notification Program Manager continues to fail to meet such requirements, such withheld retainage shall be forfeited for each and every month until compliance is achieved. Any such forfeiture will be credited against actual damages sustained by the City. Nothing in this section shall impair any other remedies the City may have as a result of Program Manager's failure to meet its obligations.

623. **Record Retention and Availability:** Program Manager shall make available for JSCB's inspection and audit all of its payroll records for any Eligible Personnel Costs as well as its records and documents involving Eligible Non-Personnel Costs incurred and billed to JSCB at any time during the term of this Agreement and for a period of six (6) years thereafter.

624. **Independent Contractor:** Neither party hereto intends by this Agreement to establish an employer/employee arrangement. It is intended that Program Manager's relationship to the JSCB is that of an independent contractor.

## **SECTION 7: INDEMNIFICATION AND INSURANCE**

### **Indemnification**

701. To the fullest extent permitted by law, the Program Manager shall defend, indemnify, and hold harmless the JSCB, the City, the School District, the Agency issuing the Bonds (the "**Bonding Agency**"), and the officers and employees of any of them (the "**Indemnitees**") from and against any and all claims, damages, losses, expenses, suits, actions, liabilities, damages, fees, attorney's fees, costs, court costs, or disbursements of any kind or nature in whole or in part arising out performance of this Agreement by, or any act or omission of, the Program Manager or its officers, agents, employees or anyone directly or indirectly employed by Program Manager for whom it may be liable.

702. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist. In the event any negligence or fault is assigned or apportioned to any of the Indemnitees, this Agreement specifically includes partial indemnity of each Indemnitee. However, with respect to each Indemnitee, this

indemnification is limited to any liability imposed over and above that percentage attributed to each Indemnitee.

### **Program Manager's Liability Insurance**

703. The Program Manager shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of New York such insurance as will protect the Program Manager from claims set forth below which may arise out of or result from the Program Manager's operations under this Agreement and for which the Program Manager may be legally liable, whether such operations be by the Program Manager or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under New York State Workers' Compensation, disability benefit and other similar employee benefit acts which are applicable to the work or services to be performed, private entities performing work or services at the site and exempt from such coverage on account of number of employees or occupation, shall maintain voluntary compensation coverage at the same limits specified for mandatory coverage for the duration of the Program;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Program Manager's employees, or those persons or entities excluded by statute from the requirements of 703 for which the Program Manager is required to provide the insurance required by 703.1;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Program Manager's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations;
- .8 Claims involving contractual liability applicable to the Program Manager's obligations under the Contract Documents; and
- .9 Liability insurance shall include all major divisions of coverage and be on a comprehensive basis including:
  - a. Premises Operations (including X, C, and U coverage as applicable).
  - b. Independent Contractor's Protective.
  - c. Products and Completed Operations.
  - d. Personal Injury Liability with Employment Exclusion deleted.
  - e. Contractual, including specified provisions for Program Manager's obligations under the Contract Documents.
  - f. Owned, non-owned and hired motor vehicle.
  - g. Broad Form Property Damage including Completed Operations.
  - h. Umbrella Excess Liability.

704. Left Blank.

705. The insurance required by §703 shall be written for not less than the following limits, or greater if required by law. Notwithstanding anything else to the contrary, coverages shall be written on an occurrence basis, and shall be maintained without interruption from the date of commencement of the Work until at least the expiration of the warranty period or such later date applicable to coverage required to be maintained after final payment. All coverage shall be provided by insurers admitted to write insurance in New York State (JSCB may waive this requirement if an alternative acceptable to JSCB is provided) and "Best's" rating of A or higher, Size Category "X" or greater.

.1 Workers' Compensation:

- a. State: Statutory
- b. Employer's Liability:
  - \$100,000 per Accident
  - \$500,000 Disease, Policy Limit
  - \$100,000 Disease, Each Employee
- c. If self-funded or group self-insured, provide Employer's Liability excess coverage of \$1,000,000.
- d. This contract shall be unenforceable as against the Owner unless the Program Manager shall secure, and keep insured during the life of said contract, compensation insurance for the benefit of employees performing work hereunder, as provided by the Workmen's Compensation Law, and acts amendatory thereto.

.2 Commercial General Liability ("CGL") (including Premises-Operations; Independent Program Managers' Protective; Products and Completed Operations; Broad Form Property Damage and Contractual):

a. Combined Single Limit:

- \$2,000,000 General Aggregate
- \$2,000,000 Products and Complete Operations Aggregate
- \$1,000,000 Each Occurrence
- \$1,000,000 Personal Injury and Adv. Injury
- \$500,000 Fire Damage legal liability.
- \$5,000 Medical Payments

- b. Products and Complete Operations to be maintained for three (3) years after final payment. Program Manager shall furnish JSCB and each other additional insured, to whom a certificate of insurance has been issued, evidence satisfactory to JSCB and any such additional insured of continuation of such insurance at final payment and each year thereafter.
- c. Property Damage Liability Insurance shall provide X, C and U coverage.

- d. Property Damage Liability Insurance shall not contain any exclusion that deletes coverage for damage to the building or its contents as a result of influx of rain, snow or hail during the Work.
  - e. Broad Form Property Damage Coverage shall include Completed Operations.
  - f. Contractual Liability shall include indemnifications set forth in the Contract Documents.
  - g. Aggregate limit shall be on a per project basis and duly noted on the certificate of insurance. *For this sentence "project" refers to the JSCB Phase II program.*
  - h. Personal Injury coverage shall be with Employment Exclusion Deleted.
  - i. There shall be no endorsement or modification of the Program Managers CGL policy arising from pollution, explosion, collapse, underground property damage or work performed by Program Manager.
  - j. There shall be no exclusion or limitation relating to NYS Labor Law.
- .3 Business Auto Liability (including owned, non-owned and hired vehicles):
- a. Combined Single Limit: \$1,000,000
- .4 Contractors Pollution Liability:
- \$2,000,000 Per Loss
  - \$2,000,000 Annual Aggregate
- This insurance shall cover losses caused by pollution conditions that arise from the operations of the Contractor with no exclusions relating to fungus, mold, microbial matter or asbestos. Coverage may be written on a claims-made basis..
- .5 Umbrella Excess Liability:
- \$10,000,000** each occurrence over primary insurance.
  - \$10,000 retention for self-insured hazards each occurrence.
  - Umbrella Coverage shall be "follow form" over the General Liability and Auto Liability Coverages.
- .6 Third Party Fidelity (Crime):
- \$1,000,000 per loss Joint Schools Construction Board, the City of Syracuse, the Syracuse City School District and the Bonding Agency as loss payee
- .7 The above policies, with the exception of Workers' Compensation shall name the JSCB, the City, the Syracuse City School District and the Bonding Agency as Additional Insureds for both ongoing and completed operations, shall include coverage for the respective officers, directors, members, partners, employees,

agents and consultants of each and any of all such additional insureds, shall contain a provision that this policy will be the primary, non-contributory coverage with no third party liability exclusion and shall apply to for any claim arising out of this Program. The following clause shall be added:

"The insurance afforded to the additional insured is primary insurance. If the additional insured has other insurance which is applicable to the loss on an excess or contingent basis, that insurance will be excess over this insurance, and not coinsurance, and the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance."

- .8 Any deductible, if applicable to loss covered by insurance provided by the Program Manager, shall be borne by the Program Manager.
- .9 The Commercial General Liability policy shall utilize both Additional Insured forms CG 2010 and CG 2037, or their equivalent, and will show evidence of endorsement on the face of the certificate of insurance.
- .10 The Commercial General Liability policy (General Aggregate) shall be endorsed to include CG 25 03 - Aggregate Limits of Insurance (Per Project), or its equivalent.

706. A Certificate of Insurance substantiating that the Program Manager has obtained all required insurance coverages shall be filed in duplicate with the JSCB within ten (10) days of the execution of the Agreement between the Program Manager and the JSCB. The Certificate shall indicate on the face that the JSCB, the City, the Syracuse City School District, and the Bonding Agency are additional insureds. No work shall be performed by the Program Manager until such certificates have been provided. The certificate shall provide that the policy shall not be changed, canceled, or allowed to lapse until thirty (30) days after written notice has been given to the JSCB, the City, the Syracuse City School District, and the Bonding Agency.

707. Approval of these Certificates of Insurance by the JSCB, the City, the School District, and the Bonding Agency shall not relieve or decrease the liability of the Program Manager hereunder. The Program Manager shall not allow any of its sub-contractors to commence work until all the insurance required by the sub-contractor has been obtained. If any of the foregoing insurance coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Program Manager with reasonable promptness.

708. No representation is made that the insurance coverage and limits established in this Contract necessarily will be adequate to protect Program Manager.

709. The insurance and insurance limits required herein shall not be deemed as a limitation on Program Manager's liability under the indemnities granted in this Agreement.



710. The Program Manager shall submit to the JSCB six (6) executed copies of Certificates of Insurance on ACORD Form 25S. In addition, the Program Manager shall provide the JSCB copies of any endorsements subsequently issued amending coverage or limits. The Program Manager shall, upon request of the JSCB Designee, submit true copies of all policies specified.

711. **INSURANCE CERTIFICATES AND POLICIES.** The Certificates of Program Manager's General Liability Insurance are to be filed with the JSCB.

712. If any of the insurance terminates or is reduced before the Contract is completed or during the period of completed operations coverage, and the Program Manager fails to maintain continuance of such insurance, the JSCB is entitled to provide the protection for itself, to pay the premiums, and to charge the cost to the Program Manager.

713. The insurance requirements set out in this Article are independent from all other obligations of Program Manager under this Agreement and apply whether or not required by any other provision of this Agreement.

714. Neither the JSCB, the City, the Syracuse City School District, the Bonding Agency or the JSCB Designee shall have any duty to Program Manager or to any of its insurers or their insurance agents to review any certificates or copies of insurance furnished by Program Manager or to determine whether the terms of each certificate or policy of insurance comply with the insurance-related provisions of the Agreement. A failure to detect that Program Manager has not submitted certificates, or proper certificates, or is otherwise not in compliance with the insurance-related provisions of the Agreement shall not be considered a waiver or other impairment of any of the rights of the JSCB, the City, the Syracuse City School District, or the Bonding Agency under such insurance-related provisions.

715. The Program Manager may use umbrella or excess liability insurance to achieve the required coverage for Comprehensive General Liability and Automobile Liability, provided that such umbrella or excess insurance results in the same type of coverage as required for the individual policies.

716. **Professional Liability Insurance:** The Program Manager shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of New York Professional Liability covering the Program Manager's negligent acts, errors or omissions in its performance of services with policy limits of not less than Twenty Five Million Dollars (\$25,000,000.00) per claim and in the aggregate.

717. All of the insurance policies provided by the Program Manager pursuant to this Agreement shall be issued by a company or companies licensed to do business in New York State. With respect to any policies which are issued on a "claims made" basis, in the event such policies are canceled or not renewed, the Program Manager shall provide a substitute insurance policy or policies with terms and conditions and in the amounts which comply with the terms of this Agreement and which provides for retroactive coverage to the date of cancellation or nonrenewal to fill any gaps in coverage which may exist due to the cancellation or nonrenewal of

the prior "claims made" policy. With respect to all "claims made" policies which are renewed, the Program Manager shall provide coverage retroactive to the date of commencement of the work under this Agreement. All said substitute or renewed "claims made" policies shall be maintained in full force and effect for three years from the date of final completion of the Program.

718. The Program Manager shall provide to the JSCB certificates of insurance evidencing compliance with the insurance requirements set forth in the Agreement. The certificates will include copies of the Additional Insured endorsements as set forth above on the Comprehensive General Liability, Automobile Liability, umbrella or excess policies.

#### **Owner's Builders Risk Insurance**

719. The Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a special form basis policy which includes coverage in the amount of the Completed Value for the entire Project on a replacement cost basis. Such property insurance shall be maintained until final payment has been made.

#### **Waiver of Subrogation**

720. Program Manager and the JSCB hereby waive all rights of subrogation against each other, the City, the School District, the JSCB Designee, the Bonding Agency, the project Architects, the project Construction Managers, and their respective agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the CGL, Builders Risk or property rider, Auto, Umbrella/Excess, and/or Worker's Compensation and Employer's Liability coverage required herein. Such waiver of subrogation shall be mutual between parties and stipulated as such in all agreements. Copies of the endorsements evidencing such will be attached to the certificate.

### **SECTION 8: DIVERSITY PROGRAM**

801. Program Manager shall at all times meet the diversity goals for the Program Manager as they relate to its workforce as established by the JSCB's *Phase 2 Development and Diversification Plan for Workforce and Business for the Program* and shall comply with all terms and conditions set forth in said Diversity Program.

802. The Program Manager shall incorporate appropriate language in all contracts to be entered into by the JSCB requiring project wide compliance with the JSCB's *Phase 2 Development and Diversification Plan for Workforce and Business for the Program*. The Program Manager shall regularly monitor and report to the JSCB the status of compliance and any noncompliance with said Diversity Program. The Program Manager shall advise and recommend to the JSCB appropriate remedies in an effort to induce conformance with said Diversity Program by applicable Program contractors.

### **SECTION 9: TERMINATION**

**901. Termination for Convenience:** The JSCB may terminate the Program Manager's right to complete performance of this Agreement upon five (5) business days written notice for the JSCB's convenience and without cause. Such termination shall be effected by a written notice from the JSCB or the JSCB Designee to the Program Manager. If this Agreement is terminated for convenience by the JSCB as provided herein, Program Manager will be paid by the JSCB as set forth in Section 6 for Costs Eligible for Reimbursement properly incurred and performed: 1) prior to the date of termination; and, 2) after the date of termination to the extent authorized in advance in writing by the JSCB Designee where necessary to protect the interests of the JSCB during Program Manager's demobilization.

901.1. In the event of a termination, costs that were not eligible for reimbursement because the phase based limits set forth at Section 600 had been reached and which are not reimbursable based upon the percentage of completion of the current phase, are forfeited and Program Manager waives any right to recovery of such costs.

**902. Termination for Cause:** If, in the opinion of the JSCB, Program Manager at any time shall refuse or fail to provide sufficient skilled workers or proper materials, fail in any respect to timely prosecute its responsibilities, fail to comply with the material provisions of this Agreement, makes a general assignment for the benefit of its creditors or if a receiver should be appointed on account of Program Manager's insolvency, then, upon fifteen (15) calendar days written notice, JSCB may without prejudice to any other remedies: (i) take reasonable steps to overcome the condition in which case Program Manager shall be liable to JSCB for the direct and indirect costs of such action; or (ii) terminate the Program Manager's right to complete performance of its services for default (provided the Program Manager shall have not cured such default during the seven (7) calendar days following Program Manager's receipt of such written notice). In the event more than two (2) such notices are given in any 12 month period, Program Manager waives any right to cure such subsequent default. In any of such events JSCB may accept the assignment of any or all subcontracts or purchase orders involving the Program, and complete the Program Manager's obligations by itself, through others, or by whatever method or methods the JSCB deems expedient. In case of termination for default, Program Manager shall not be entitled to receive any further payment. Nothing in this Section shall impair such other remedies as may be available to the JSCB.

903. In addition to any other provisions of this Agreement with respect to termination, the Program Manager's right to complete performance of its services shall terminate immediately upon the filing by or against Program Manager of any petition (voluntary or involuntary) in bankruptcy or for reorganization or for any arrangement under any bankruptcy or insolvency law or for a receiver or for a trustee involving any property of Program Manager.

**904. Termination by the Program Manager for Cause:**

904.1. If the JSCB fails to make payments to the Program Manager in accordance with this Agreement, the Program Manager shall give the JSCB written notice of such default. If the JSCB does not, within sixty (60) days from receipt of the notice, make the payment or give the Program Manager reasonable and written justification for same based upon a material breach or default, such failure may be considered substantial nonperformance and cause for termination or

at the Program Manager's option, cause for suspension of performance of services under this Agreement. If the Program Manager elects to suspend services, the Program Manager shall give an additional ten (10) days' written notice to the JSCB before suspending services. In the event of a proper suspension of services, the Program Manager shall have no liability to the JSCB for delay or damage caused the JSCB because of such suspension of services.

904.2. If the JSCB suspends the Program for more than ninety (90) consecutive days, the Program Manager may be equitably compensated for expenses necessarily incurred in the interruption and resumption of the Program Manager's services.

904.3. If the JSCB suspends the Program for more than 120 cumulative days for reasons other than the fault of the Program Manager, the Program Manager may terminate this Agreement by giving not less than thirty (30) days' written notice.

**905. No Lost Profits or Opportunity Costs:** In no event shall the Program Manager shall be compensated for lost opportunity costs or loss of anticipated profit on the value of services not performed or materials not provided.

906. Notwithstanding any termination, Program Manager shall not be relieved of liability to the JSCB for damages sustained by the JSCB due to Program Manager's failure to properly and timely perform its obligations under this Agreement. The JSCB may withhold any payments to Program Manager for the purpose of setoff or until such time as the damages due to the JSCB from Program Manager are finally determined.

907. All of the obligations of the Program Manager pertaining to insurance, defense and indemnification shall survive termination of the Agreement.

908. Except as set forth in §1412 of this agreement, the Program Manager agrees to make no claim against the JSCB or its Agents for costs or damages in excess of the Not to Exceed Fee resulting from delay, acceleration, disruption or interference in the performance of the Contract. The Program Manager expressly waives any rights it may now or hereafter have to recover costs or damages from the JSCB or its Agents in excess of the Not to Exceed Fee for any delay, acceleration, disruption or interference in the performance of the Contract.

909. In the event that the Program Manager is terminated, the JSCB shall immediately have access to all Program work product, including but not limited to the CMS data, papers, drawings, records of meetings, emails, and any other relevant documents needed to continue the Program. The Program Manager shall continue to cooperate with the JSCB in the transition to a new Program Manager, provided, however, that the Program Manager shall be entitled to compensation for Costs Eligible for Reimbursement for services rendered in conjunction with such transition. This paragraph shall survive termination of the agreement.

909.1. The Program Manager shall be liable to the JSCB for liquidated damages in the amount of \$500 per day in the event it fails to cooperate in the transition after termination. This obligation shall survive the termination of this agreement.

910. Upon receipt of a notice of termination, and-except as otherwise directed in writing by the JSCB Designee, the Program Manager shall:

910.1. Discontinue all terminated services; or

910.2 Take such action as may be necessary or as the JSCB may prescribe for the protection and preservation of all property in the possession or control of the Program Manager in which the JSCB, under the provisions of the Agreement, has or may acquire an interest.

910.3. Notwithstanding the foregoing, should the notice of termination relate to only a portion of the work covered by the Agreement, the Program Manager will proceed with the completion of such portions of the work as are not terminated.

## **SECTION 10: PROGRAM MANAGER PERSONNEL**

1001. All of Program Manager's consultants and key staffing personnel, including project managers, shall be subject to the prior written approval of the JSCB Designee. Program Manager shall submit to the JSCB Designee the names and backgrounds of such consultants and key staffing personnel within 15 days following the execution of this Agreement or 60 days prior to the commencement of the work by such consultants and/or key staffing personnel.

### **1002. *Staffing Modifications by JSCB:***

1002.1. The JSCB, acting directly or through the JSCB Designee, may direct a decrease of personnel for JSCB's convenience and without cause upon Thirty (30) days prior written notice. The JSCB is not responsible for the consequences of such direction unless advance specific written notice is received from the Program Manager detailing the consequences and any damages resulting from such direction. Such Notice must be received within Fifteen (15) days after delivery of the Owner's written notice to decrease personnel.

1002.2. The JSCB Designee, may direct removal or replacement of personnel found to be unsatisfactory to the JSCB or JSCB Designee upon fifteen (15) days' prior written notice.

1002.3. Removal or replacement of personnel for reasonable cause shall not be subject to the foregoing time constraint.

1003. Any proposed change in (1) Program Manager's consultants, or (2) individual Program Manager key staffing positions from those approved by the JSCB Designee or occurring any time during the life of the overall Program, must first be submitted in writing, along with supporting information, to the JSCB Designee for review and approval. No changes shall be made without prior written approval of the JSCB Designee.

1004. Program Manager Staff Turnover: The Program Manager's personnel committed to the Program may not be reassigned away from the Program except upon consent of the JSCB Designee, which consent may be withheld. Program Manager's part-time personnel commitment levels may not be reduced except upon consent of the JSCB Designee, which consent may not be

unreasonably withheld. These constraints shall not apply to personal who are no longer employed by or associated with the PM, its successors or assigns, or any of their affiliated entities. Levels may be adjusted at the discretion of the JSCB Designee.

## **SECTION 11: CONSTRUCTION DOCUMENT MANAGEMENT SYSTEM ("CMS")**

1101. The Cost Construction Document Management System must be approved in advance by the JSCB. The compensable portion of this system is limited to licensing fees and vender provided technical support for a web portal based file transfer site that will receive and store construction documents to a directory structure that corresponds to a properly detailed filing system for the Program and each underlying construction project. Such directory structure shall provide separate folders by category that correspond to all required submittals and all other documents commonly employed at the Program and project level. All documents are to be received in text searchable PDF format. A webpage shall be accessible by all project participants that will allow designable upload and transfer options for all Program and project documents. The website will employ drop-down menus to guide the transfer and storage of all such documents into the directory structure.

1102. The Construction Document Management System shall provide for ongoing mirroring of all stored documents and files on servers controlled by the JSCB and allow for electronic transfer of all stored documents to the JSCB when requested.

1103. All other computer systems needed to perform Program Manager's services, shall be provided at Program Manager's own expense. These include, but are not limited to, the following: cost estimating; scheduling; construction document generation, other construction management systems.

1104. The Construction Document Management System must be approved in advance by the JSCB.

## **SECTION 12: THIRD-PARTY TRAINING PROGRAM**

1201. The Third-Party Training Program Provider must be approved in advance by the JSCB.

## **SECTION 13: TERMS AND CONDITIONS**

1301. This Agreement, its terms and conditions and any claims arising therefrom, shall be governed by the Laws of New York State regardless of its conflicts of laws provisions. Program Manager shall comply with all applicable laws, ordinances and codes of the United States, the State of New York (including but not limited to Chapter 58 A-4 of the Laws of 2006, as amended) and the City applicable to its services under this Agreement.

1302. The parties agree that each and every provision of law required by law to be included in this Agreement shall be deemed to be included as though set forth at length and that

this Agreement does not waive or dispense with the requirements of any law, including but not limited to the Charter of the City.

1303. Any action brought to enforce the terms and conditions of this Agreement will be brought in the New York State Supreme Court located at Onondaga County, New York.

1304. The parties agree that they waive a trial by jury as to any and all claims, causes of action or disputes arising out of this Agreement or services to be provided under this Agreement. Notwithstanding any such claim, dispute, or legal action, Program Manager shall continue to perform all services under this Agreement in a timely manner unless otherwise directed by the JSCB, and the JSCB shall continue making payments due under this Agreement.

1305. Program Manager's acceptance of the final payment under this Agreement shall constitute and operate as a release from Program Manager to the JSCB of all claims and liabilities that Program Manager could assert against the JSCB, the City, the School District or the Bonding Agency arising out of the Program and the work hereunder, which are known or reasonably should have been known when final payment is made unless previously and timely transmitted to the JSCB in writing

1306. The JSCB and Program Manager each binds itself, its partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement.

1307. Program Manager shall at all times remain an independent contractor. Program Manager shall not have the authority to enter into agreements on the JSCB's behalf or otherwise bind the JSCB by its decisions and shall not hold itself out as the JSCB's agent without prior written authorization from the JSCB.

1308. Program Manager hereby agrees not to discriminate against any employee or applicant for employment on the basis of gender, race, age, sexual or affectional preference, or sexual orientation.

1309. Failure of either party to insist upon strict performance of any of the covenants or conditions of this Agreement shall not be construed as a waiver or relinquishment of any of the Agreement covenants or conditions, but the same shall remain in full force and effect.

1310. This Agreement incorporates the entire and integrated understanding and agreement of the parties hereto and supersedes any and all negotiations, representations or agreements made prior to the execution of this Agreement, whether oral or written.

1311. If any provision of this Agreement is held invalid, the balance of the provisions of this Agreement shall not be affected thereby if such remaining provisions continue to conform to the requirements of applicable laws.

1312. No modification or waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom the modification or waiver is sought to be enforced. No delay on the part of either party in exercising any of its rights or remedies hereunder shall operate as a waiver hereof. No waiver on the part of a party hereunder shall preclude any other or further exercise thereof or any right or remedy hereunder.

1313. References herein in the feminine gender shall also be construed to apply to the masculine gender, and vice versa.

1314. Except as otherwise specifically provided in this Agreement, whenever under this Agreement approvals, authorizations, determinations, satisfactions or waivers are required or permitted, such items shall be effective and valid only when given in writing signed by a duly authorized officer of the party against whom it applies. Any required Notices shall be delivered in hand or sent by mail, postage prepaid, to the party to whom it is directed, which until changed by written notice, are as follows:

**Program Manager:**

**Turner Construction Company  
6320 Fly Rd.  
Suite 216  
E. Syracuse, NY 13057**

**JSCB:**

**City Engineer  
Room 401 City Hall  
233 East Washington Street  
Syracuse, NY 13202**

**With a copy to:**

**Corporation Counsel of the City of Syracuse  
Room 300 City Hall  
233 East Washington Street  
Syracuse, NY 13202**

1315. The JSCB may order Program Manager in writing to suspend, delay or interrupt all or any part of its Program Management Services without cause for such period of time, not to exceed One Hundred Twenty (120) days, as the JSCB may determine to be appropriate for its convenience. No adjustment in rate schedules of durations shall be made if Program Manager is or otherwise would have been responsible for the suspension, delay or interruption.

1316. Program Manager shall not assign this Agreement, in whole or in part, without the prior written consent of the JSCB which consent will not be unreasonably withheld. A sale or other transfer of a majority of ownership of Program Manager shall be deemed an assignment.



1317. The services of this Agreement are for the sole benefit of the JSCB, the City, the School District, and the Bonding Agency and neither this Agreement nor any service rendered hereunder shall give rise to or shall be deemed to or construed so as to confer any right, claim, cause of action of any other party as a third party beneficiary or otherwise, and Program Manager agrees to defend, indemnify, and save harmless the JSCB, the City, the School District and the Bonding Agency and their officers and employees against any claims or causes of action by such third parties caused by or arising out of the acts or omissions of the Program Manager.

1318. This Agreement is subject to the JSCB's approval (acting through the City's MWBE Compliance Office) of Program Manager's Diversity Plan for its services to the Program.

1319. *No Claim in Equity:* It is agreed that this Agreement adequately addresses the rights and remedies of the parties hereto and provides adequate remedies as a matter of law. Accordingly, each party waives all rights to pursue an action in equity including an action for Quantum Meruit or unjust enrichment.

1320. Program Manager acknowledges that any recoverable costs that it may incur are subject to reasonable calculation employing normal cost tracking methodologies. Program Manager further acknowledges that it may suffer losses for which the Owner may not be responsible including: 1) losses resulting from Program Manager's failure to negotiate an adequate level of compensation; or, 2) Program Manager's failure to properly manage its own business affairs. Program manager further acknowledges that the use of a Total Cost Method for calculating damages at law or in equity fails to account for damages that would not be the Owner's responsibility and thus would not be recoverable from the Owner.

1321. *No Damages for Delay:* Notwithstanding anything to the contrary in this Agreement except § 1412 below, and to the fullest extent permitted by law: 1) The Program Manager agrees to make no claim against the JSCB for costs or damages resulting from delay, acceleration, disruption or interference in the performance of this Agreement; and, 2) the Program Manager expressly waives any rights it may now or hereafter have to recover costs or damages from the JSCB, for any delay, acceleration, disruption or interference in the performance of this Agreement.

1322. Nothing in the preceding paragraph shall impair the Program Manager's right to make a claim to recover for costs or damages resulting from delays, acceleration, disruption or interference caused by the malicious, or grossly negligent conduct of the JSCB.

1323. An extension of the Agreement time shall not be considered as justifying an increase in the Not-to-Exceed Limits.

1324. *Interest:* Any amounts due under this Agreement or as a result of a breach of this Agreement shall bear interest from the date the payment is due at a rate of four Percent (4%) per annum simple interest.

1325. JSCB will cause the following paragraph to be included in a construction contracts entered into by the JSCB with respect to Program construction work:

The Program Manager acts solely as the Owner's Representative. The Program Manager has no authority to issue extensions of contract time, change orders or other modifications of the Trade Contractor's agreement with the Owner. The Program Manager is not responsible for coordination, scheduling, budgeting or safe performance of the Trade Contractor's Work. Accordingly, the Trade Contractor agrees that it shall make no claims against the Program Manager with regard to the aforementioned items. The Trade Contractor shall include Program Manager as an additional insured on all its insurance policies and shall cause all such policies to include a waiver of subrogation in favor of the Program Manager. The Trade Contractor shall also include these provisions in all subcontracts of any tier.

#### **SECTION 14. CLAIMS**

1401. *Claims for Increase in Time or Amount:* Any claim for an increase in the cost or time provided for under this Agreement ("Agreement Time or Cost"), must be preceded by written notice of each such occurrence giving rise to such claim which notice must be given in writing to the JSCB within fifteen (15) calendar days of the occurrence giving rise to the claim. Such notice must specify each such occurrence, describe how the occurrence is affecting the Agreement Time or Cost, include an estimate of such additional Agreement Time or Cost, and set forth the probable effect of the occurrence on the progress of the work.

1402. Claims for increase in the Agreement Time or Cost shall be timely updated and detailed thereafter. Any additional costs shall be detailed and submitted to the JSCB within 30 days after they accrue.

1403. The Program Manager shall provide such additional supporting documentation as the JSCB may require including, where appropriate, a revised construction schedule indicating all the activities affected by the circumstances forming the basis of the claim.

1404. Failure to strictly comply with these requirements may, at the discretion of the JSCB Designee, be deemed sufficient cause to deny such claim.

1405. In planning all activity within the agreed Agreement time, it shall be assumed that the Program Manager has anticipated the amount of adverse weather conditions which can be reasonably anticipated at the project sites for the season or seasons of the year involved. Only those weather delays attributable to other than weather conditions that can be reasonably anticipated will be considered as a basis for an increase in the Agreement Time or Cost.

1406. The Program Manager shall not be entitled to a separate increase in the Agreement Time or Cost for each one of the number of events which may have concurrent or interrelated effects on the progress of the work, or for concurrent events or occurrences for which the Program Manager bears responsibility.

1407. In the event any conflict or ambiguity exists between the sections of this Agreement or between this Agreement and any documents incorporated herein by reference, the conflict shall be resolved in favor of the JSCB whereby the Program Manager will provide the services or materials more beneficial to the JSCB as determined by the JSCB Designee.

1408. The JSCB Designee shall determine the amount, quality, acceptability, fitness and extent of progress of all services and work encompassed by or related to this Agreement. In addition, the JSCB Designee shall decide all questions of fact which may arise in relation to the interpretation of this Agreement.

1409. Any decision or determination of the JSCB Designee under the provisions of this Agreement shall be final, conclusive and binding on the Program Manager unless the Program Manager shall, within fifteen (15) business days after each such decision, make and deliver to the JSCB a verified statement of its contention that the decision of the JSCB Designee is contrary to the terms of this Agreement. The JSCB shall thereupon determine the validity of the Program Manager's contention. Pending decision of the JSCB, the Program Manager shall proceed in accordance with the JSCB Designee's decision.

1410. Wherever it is provided in the Agreement that an application must be made to the JSCB and/or determination made by the JSCB, the JSCB's decision on such application and/or its determination under the Agreement shall be final, conclusive and binding upon the Program Manager unless the same shall be determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith and unless the Program Manager, within fifteen (15) business days after receiving notice of the JSCB's decision or determination, files a written statement with the JSCB that it reserves its rights in connection with the matters covered by said decision or determination.

1410.1. The standard of review to be applied by a court set forth in §1410 shall not be applicable to any decisions by or directions of the JSCB or the JSCB Designee pertaining to changes in Program Manager staffing levels or changes in the sequencing of the work.

1411. **IMPORTANT NOTICE REGARDING CLAIM PROCEDURES:** The Program Manager's obligation to strictly follow the requirements of Section 1401, 1402 and 1409 in their entirety including the giving of timely and complete notice of a claim is a condition precedent to recovering under any claim. Failure of the Program Manager to strictly follow these requirements shall constitute waiver of the claim. An additional claim made after the initial claim has been made shall not be considered unless also submitted in accordance with this Section 14 and in a timely manner.

1412. Notwithstanding § 1321 to the contrary, upon timely notice to the JSCB Designee, and timely submission of supporting documentation, Program Manager may request an equitable adjustment to the Not-to-Exceed Fee to the extent required by material revisions or modifications to Program Manager's Scope of Services directed by the JSCB or the JSCB Designee.

## SECTION 15. CONFLICTS OF INTEREST

1501. The Program Manager shall have no interest, nor acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services to the JSCB. The Program Manager agrees that in the rendering of services to the JSCB, no persons having any such interest shall be employed by the Program Manager. The Program Manager assumes full responsibility for knowing whether its employees, agents, or consultants have any such interest and in certifying the absence of such conflict of interest to the JSCB.

1502. During the course of performing services for the JSCB, the Program Manager agrees to disclose immediately to the JSCB, by affidavit, every known or apparent conflict of interest and every ostensible or potential conflict of interest of the Program Manager, its employees, agents, and consultants. The Program Manager agrees that disclosure is a material obligation of this Agreement.

1503. A conflict of interest includes any circumstances which might influence or appear to influence the judgment of the Program Manager, and the Program Manager shall disclose the same. The Program Manager shall disclose further the acceptance of compensation, monetary or otherwise, from more than one payor, person or entity for services on the Project or in any way related to the Project. The Program Manager shall disclose further the direct or indirect solicitation or acceptance of financial or other consideration from parties other than the JSCB for work on the Project to which this Agreement pertains. If applicable, the Program Manager shall disclose further the direct or indirect acquisition of any interest in any of the real estate which is the subject of or in any way related to the Project or in the immediate vicinity thereof. A conflict of interest on the part of the Program Manager's employees, agents, or consultants shall be deemed a conflict of interest on the part of the Program Manager, giving rise to the same duty to disclose.

1504. The Program Manager agrees not to disclose any data, facts, or information concerning services performed by it for the JSCB or obtained while performing such services, except as authorized by the JSCB in writing or as may be required by law.

1505. This agreement has been voluntarily entered into after extensive negotiation between both parties. Both parties acknowledge that they have had full and fair opportunity to review, negotiate, and modify this agreement before electing to being bound thereby.

IN WITNESS WHEREOF, the parties have executed as of the date noted below.

Attest:

JSCB

By: [Signature]  
JSCB Secretary

By: [Signature]  
Stephanie A. Miner,  
JSCB Chair

STATE OF NEW YORK )  
COUNTY OF ONONDAGA ) ss.:

On this 27<sup>th</sup> day of August, 2015, before me personally came Stephanie A. Miner, as Chairman of the JSCB, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

JAMES E. HUGHES  
Notary Public, State of New York  
Elected in Onond. Co. No. 02200407002  
Commission Expires 8/31/15

[Signature]  
Notary Public

Program Manager  
Turner Construction Company

By: [Signature]  
Carl E. Stewart, III,  
Vice President

STATE OF NEW YORK )  
COUNTY OF Onondaga ) ss.:

On this 2<sup>nd</sup> day of September, 2015, before me personally came Carl E. Stewart, III as Vice President, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

CATHERINE E. CARNRIKE  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 02CA6112791  
Qualified in Onondaga County  
My Commission Expires July 12, 2016

[Signature]  
Notary Public

**Appendix "A"**  
**Scope of Services**

*Excerpted from Phase 2 PM RFP*

**VIII.) PROGRAM MANAGEMENT SCOPE OF WORK**

The purpose of this Scope of Work is to convey the intent of the requirements that will ultimately be defined in the Agreement between the JSCB and the PM. As such, it is neither exhaustive nor all-inclusive.

The Project Manager will serve as the Owner's representative administering the activities of the A/E and CM teams. The Project Manager will be responsible for the aggregation and reporting of project activity to the JSCB. In addition, the Project Manager will audit project level activity in an effort to identify breakdowns, shortcomings or failures requiring special attention. In such instances, the Project Manager would further investigate such activity and make recommendations to the JSCB for correction of same.

**A.) GENERAL REQUIREMENTS:**

The PM shall be responsible for the overall management of Phase 2 of the Cooperative School Reconstruction Act.

The Program Manager, and its affiliates or subsidiaries, if any, shall be prohibited from awarding contracts or being awarded contracts for or performing any other work on projects undertaken pursuant to the JSCB Enabling Legislation.

The PM shall provide both pre-construction and construction related services. In general these services include: overall Program administration, professional and technical services procurement, A/E and CM contract administration, program funding oversight and tracking, program scheduling and oversight of the A/E's and CM's, etc.

The PM shall also provide, within its scope of services, oversight of construction management services for the overall Program, and for individual Projects. The construction management services are defined within Project Phases stated below.

- 1.) The Program Manager shall (general):
  - a.) Work with the JSCB, A/E's, CM's, miscellaneous consultants and others to provide overall program consultation, management, advice and oversight in the development, management of the design and construction of the projects identified under the Phase 2 Program.
  - b.) Assist the JSCB in reducing the Program local share cost through methods such as building aid maximization, energy performance contracting and grants.

- c.) The PM shall be required to collect and maintain a record of all Program related certificates of insurance including, but not limited to, all professional firms, testing firms, CM firms and prime construction contractors. The PM shall ensure all insurance certificates have not exceeded expiration dates.
- d.) Assist the JSCB, and its legal counsel, in negotiating any changes to the existing PLA which the Program Manager will sign, administer and manage.
- e.) Assist the JSCB in identifying a Training Program compliant with the JSCB's Development and Diversification Plan for Workforce, to utilize and augment employment resources to provide sufficient skilled employees for all JSCB projects. Refer to Section L.
- f.) Assist the JSCB and the Independent Compliance Officer (ICO) separately retained by the JSCB in the administration of procedures pursuant to the *Development and Diversification Plan for Workforce and Businesses*.
- g.) Attend pre-construction meetings with all Prime Construction contractors to review requirements and obligations under the Project Labor Agreement.
- h.) Administer the PLA, including all required notifications, recordkeeping and reporting requirements.
- i.) Compile, submit and present monthly summary reports to the JSCB.
- j.) Work with the Training Program Provider to maintain a list of the name, address, e-mail address and telephone number for each person seeking employment information and provide such persons with employment referral and training information made available by the JSCB.
- k.) Manage all required A/E, CM and other consulting services for this Program.
- l.) Verify compliance and continuity of design, in regard to all building codes, legislation and standards: Federal, State, County, City and SCSD.
- m.) Provide CMS systems as described in Section XIII K for use by the JSCB, PM, CM, A/E, independent compliance officer and contractors to track and manage project documents for the duration of the program. All program documents are the property of the JSCB and must be accessible to the owner for review and download throughout the life of the project. At the end of the project, this database shall be turned over to the JSCB.
- n.) Monitor, report and coordinate the following on all Projects:
  - i.) Leadership in Energy and Environmental Design (LEED)
  - ii.) Building Commissioning
  - iii.) State Environmental Quality Review (SEQR)
  - iv.) Cost Estimating
  - v.) Value Engineering
  - vi.) Energy Modeling

- vii.) Cash Flow Projections
- viii.) Evaluation of O & M Building Costs & Logistics
- ix.) Project scheduling
- x.) Insurance claims processing assistance
- o.) Develop a Program wide Safety program and coordinate with the CM's.
- p.) Develop Program wide job site security procedures.
- q.) Cooperate with JSCB legal counsel and collate any required information for Freedom of Information Law (FOIL) requests related to the program.
- r.) If the PM has not already established an office within Onondaga County, the PM shall be required to open and maintain a local office within the City of Syracuse. This office shall be adequately staffed with the JSCB's main contact person and support staff for the duration of the contract.

## **B.) PROJECT PHASES**

- 1.) Phase 2 of the Program, provides for work on up to fifteen schools, and is divided into, sequential phases of management for each individual project; they are as follows:
  - a.) Pre-Design Phase
  - b.) Schematic Design
  - Phase c.) Design Development Phase
  - d.) Contract Documents Phase
  - e.) Bidding Phase
  - f.) Project Construction Phase
  - g.) Building Commissioning/Occupancy
  - Phase h.) Post Construction Phase

## **C.) PRE-DESIGN PHASE**

- 1.) The Program Manager shall:
  - a.) Review the JSCB Phase 2 Comprehensive Plan in detail and recommend any modifications that would improve the program to the JSCB including the following:
    - i.) Changes to the project scopes.
    - ii.) Changes to the preliminary project cost estimate and budget.
    - iii.) Changes to the program schedule.
    - iv.) Changes to the schedules for the projects.
    - v.) Evaluate project phasing, swing space requirements and construction in occupied buildings from a program standpoint.
    - vi.) Review overall project budget and impact of Comprehensive Plan from a program standpoint.



- b.) Develop procedures for monitoring, reporting and enforcing the Project Labor Agreement.
  - c.) Identify sources of outside funds in addition to NYSED building aid for the program.
  - d.) Attend monthly JSCB meetings as well as other meetings required to complete the tasks required in this phase.
  - e.) Begin the process of selecting a Training Program Provider with the JSCB for local residents to participate in the program.
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
- a.) Evaluate project phasing, scheduling, swing space requirements and construction in occupied buildings from an individual project standpoint.
  - b.) Review Comprehensive Plan budgets and prepare construction estimates including incidental costs for individual potential projects in NYSED required cost breakdowns.

#### **D.) SCHEMATIC DESIGN PHASE**

- 1.) The Program Manager shall:
- a.) Develop and manage the program budget and schedule.
  - b.) Review, recommend for approval and submit payments for processing.
  - c.) Coordinate user input with the design team, the District and City Departments e.g. technology, security, maintenance, library media, food service, ADA, SHPO, etc. and other agencies.
  - d.) Verify A/E's incorporate City and District design standards into the project designs.
  - e.) Identify any construction projects that are subject to NYS State Historic Preservation Office (SHPO) requirements and determine impact to budgets and schedule.
  - f.) Coordinate design presentations to secure schematic design approvals with JSCB, SCSD, and SED.
  - g.) If required, organize schematic design presentations for the community.
  - h.) Initiate project scope and funding revisions, extensions and approvals.
  - i.) Manage the architectural firms throughout Schematic Design process and coordinate any necessary design meetings.
  - j.) Maintain communications regarding design activities with JSCB through reports, monthly meetings and updates to JSCB website.
  - k.) Coordinate the development of construction contract forms and general conditions documents that are acceptable to the JSCB.
  - l.) Assist in the review and approval process with JSCB, SCSD and SED.
  - m.) Review the project cost estimates prepared by the CM and compare

them to the approved cost allowance for each building project (MCA) to verify the projects can proceed in accordance with the cost limits specified in the legislation. If required, oversee any necessary redesign to meet the cost limits as required by the legislation.

- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
  - a.) Manage project budgets and schedules including:
    - i.) Develop and track the master schedule for all of the projects.
    - ii.) Update project budgets, including evaluation of reimbursement of eligible and ineligible costs.
    - iii.) Develop bidding packages. Assist the JSCB in the decision process with respect to using single GCs and/or multiple trade contractors.
  - b.) Recommend project and construction phasing plans including swing space needs and moves.
  - c.) Identify areas for value management services and provide detailed review if requested.
  - d.) Verify that designs follow City and District design standards, NYSED requirements and applicable building code.
  - e.) Prepare schematic design construction cost estimates to be submitted to NYSED for review. If required, assist with any necessary redesign to meet the cost limits as required by the legislation.

## **E.) DESIGN DEVELOPMENT PHASE**

- 1.) The Program Manager shall:
  - a.) Manage budget and schedule for the overall program.
  - b.) Coordinate user input with the design team, the District and City Departments e.g. technology, security, maintenance, library media, food service, ADA, SHPO, etc. and other agencies.
  - c.) Initiate project scope and funding revisions, extensions and approvals, if necessary.
  - d.) Schedule and attend required public meetings such as design review meetings at individual buildings.
  - e.) Manage the architectural firms throughout Design Development process and coordinate any necessary design meetings.
  - f.) Coordination with equipment and furnishings consultants.
  - g.) Maintain communications regarding design activities with JSCB through reports, monthly meetings and updates to JSCB website.
  - h.) Coordinate reviews for final design approvals.
  - i.) Review, recommend for approval and submit payments for processing.
  - j.) Submit regular program reports for critical issues, including design issues, schedule progress, cash flow forecast, and budget vs.

- actual reporting.
- k.) Verify that there is adequate budget and time to fund and construct the projects within the parameters of the program.
- l.) Assist in the review and approval process with JSCB, SCSD and SED.
- m.) Review the 50% of final design construction cost estimates prepared by the CM and compare them to the approved cost allowance for each building project (MCA) to verify the projects can proceed in accordance with the cost limits specified in the legislation. If required, oversee any necessary redesign to meet the cost limits as required by the legislation.
- n.) Develop a safety program for implementation by the CMs.
- o.) Manage the A/Es in their preparation of bid specifications and bidding activities for purchase of furnishings, fixtures and equipment (FF&E).

- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
  - a.) Manage budget and schedule for all projects:
    - i.) Review and track master schedule for all projects.
    - ii.) Refine project schedule.
    - iii.) Identify and evaluate schedule alternatives for project execution.
    - iv.) Review, recommend for approval and track project budget and budget vs. actual for all projects.
    - v.) Update construction cost estimates.
    - vi.) Update evaluation of reimbursement of eligible and ineligible project costs.
    - vii.) If requested by the JSCB, prepare and analyze the life cycle cost of different alternatives with the architects and engineers.
    - viii.) Identify bid alternates for cost control.
  - b.) Attend design meetings as requested by PM.
  - c.) Assist the JSCB in the decision process with respect to using single GCs and/or multiple trade contractors.
  - d.) Review drawings and specifications; analyze documents for discipline coordination, identify contractor overlap or work omissions.
  - e.) Conduct constructability reviews.
  - f.) Identify areas for value management and operating/maintenance cost savings and provide detailed reviews.
  - g.) Refine job site logistics and traffic planning.
  - h.) Prepare 50% of final design construction cost estimates to be submitted to NYSED for review. If required, assist with any necessary redesign to meet the cost limits as required by the legislation.

## **F.) CONTRACT DOCUMENT PHASE**

- 1.) The Program Manager shall:
  - a.) Manage budget and schedule for the program.
  - b.) Review, recommend for approval, and process all payments.
  - c.) Manage the architectural firms throughout Contract Document process and coordinate any necessary design meetings.
  - d.) Coordinate and track projects through the appropriate regulatory approvals (e.g. NYS DEC, NYS DOL).
  - e.) Secure final design approvals from JSCB, City, SHPO, Regional Advocate and SCSD.
  - f.) Coordinate the final design submissions with the A/Es to receive approvals from NYSED.
  - g.) Assist the JSCB in preparing bid documents for required testing services and any other required third party vendors.
  
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
  - a.) Manage budget and schedule for all projects
    - i.) Review and track master schedule for all projects and recommend for approval.
    - ii.) Review and track project budget and budget vs. actual for all projects and recommend for approval.
    - iii.) Provide value management and detailed construction cost estimating.
    - iv.) Coordinate the identification of ineligible project costs.
  
  - b.) Attend design meetings as requested by PM.
  - c.) Oversee and review the development of contract drawings, technical specifications, and contract language
    - i.) Oversee and review the assembly of bid packages.
    - ii.) Oversee and review documents for discipline coordination and completeness.
    - iii.) Identify bid alternates for cost control.
    - iv.) Utilize bid compliance requirements consistent with current City and SCSD policies and procedures.

## **G.) BIDDING AND CONTRACT AWARD PHASE**

- 1.) The Program Manager shall:
  - a.) Coordinate the placement and timing of all of public advertisements with the City Division of Purchase.
  - b.) Organize and conduct pre-bid meetings with A/Es and CMs.
  - c.) Coordinate additional site visits for bidders.
  - d.) Oversee the A/Es who will prepare meeting minutes of the pre-bid conference and prepare addenda, if necessary.

- e.) Review and recommend approval of addenda.
  - f.) Review bids and compare with construction cost estimates.
  - g.) If required, oversee any necessary redesigns and rebids of construction contracts that cannot be awarded.
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
- a.) Perform the following requirements after bid opening:
    - i.) Evaluate bids, prepare bid comparisons, conduct de-scope meetings and prepare meeting minutes.
    - ii.) Recommend to JSCB which bid alternates should be accepted for each contract.
    - iii.) Prepare Letter of Recommendation for Award of each contract and obtain letters from each A/E.
    - iv.) Advise JSCB on subcontractors and material suppliers.
    - v.) Upon execution of contracts, schedule and conduct preconstruction meeting with all appropriate parties.
  - b.) Prepare a set of construction documents including addenda for use at job site.

## **H.) PROJECT CONSTRUCTION PHASE**

- 1.) The Program Manager shall:
- a.) Manage budget and schedule for the overall program.
    - i.) Review change orders approved by the CM for impact on program budget and schedule.
    - ii.) Provide any changes to the financial report to JSCB as they occur, including reallocations in contract award amounts.
    - iii.) Advise the JSCB on courses of action when contract requirements are not fulfilled.
    - iv.) Assist the JSCB in processing any claims.
    - v.) Recommend any cost reallocations required between contracts or within the program budget.
  - b.) Attend monthly JSCB meetings to present the PM report. Submit project reports as needed for critical issues such as design issues, schedule progress, cash flow forecast, and budget vs. actual reporting.
  - c.) Conduct meetings with CM and Owner as needed during construction.
  - d.) Maintain database of certificates of insurance and obtain extensions when necessary.
  - e.) Maintain a web-based program to manage project documents throughout the life of the project.
  - f.) In accordance with PLA notify unions of payments to prime contractors.
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
- a.) Manage budget and schedule for all projects
    - i.) Review and track master schedule for all projects

- and recommend for approval.
- ii.) Review, and track project budget vs. actual for all projects and recommend to PM any reallocations for JSCB approval.
- iii.) Review, and approve contractor payment requests for approval by JSCB.
- iv.) Update project schedule to reflect events and conditions at the jobsite.
- v.) Track expenditures relative to the project budget.
- b.) Coordinate required compliance submissions with the ICO for all projects and assist the ICO as requested to ensure that contractors meet or exceed their M/WBE, EEO and residency goals and procedures as outlined in the Phase 2 Development and Diversification Plan for Workforce and Business.
- c.) Compile certified payrolls for each contractor including subcontractors for use by the JSCB and the ICO. Provide original certified payroll records to the owner on a monthly basis and maintain electronic version within the CMS.
- d.) Verify certified payrolls are in accordance with prevailing wage requirements per NYS Labor Law.
- e.) Maintain a set of updated contract documents on the project site along with all project records.
- f.) Monitor A/E progress of the following items:
  - i.) Approval of shop drawings and submittals.
  - ii.) Approval of change orders.
  - iii.) Site observations.
  - iv.) Respond to RFI's.
  - v.) Structural and all other miscellaneous inspections.
  - vi.) Building commissioning plan and third party commissioning agents.
  - vii.) All specialty consultants.
  - viii.) Approval of Contractor payments.
- g.) Provide construction administration services as follows:
  - i.) Coordinate work of A/E's and contractors to complete projects within required budget, time and cost.
  - ii.) Establish clear lines of communication for all construction administration issues.
  - iii.) Coordinate Contractor's set-up of on-site facilities and removal of SCSD property prior to areas being turned over to contractors.
  - iv.) Reconcile prime construction schedules with the project schedules.
  - v.) Review contractors' schedule of values and recommend for approval to Owner.
  - vi.) Conduct regularly scheduled (e.g. weekly) meetings with

- owner, A/E's and contractors and prepare minutes of meetings.
  - vii.) Review contractor's phasing plan and sequence of work. Review plans for site and building utilization during construction.
  - viii.) In occupied buildings, meet daily with school's principal to advise of daily construction activities and coordinate construction activities with school operations.
  - ix.) Approve FFE installations and invoices as FFE is installed in buildings.
  - x.) Inspect work to ensure it complies with the contract documents.
  - xi.) Manage and create tracking logs for RFIs, change requests, change orders and submittals.
  - xii.) Create daily inspection reports and maintain records of all construction activities.
  - xiii.) Provide documents to the Owner regarding all Freedom of Information Act (FOIA) requests related to the project.
  - xiv.) Coordinate required testing services and maintain records of all testing and resolve any non-conforming tests.
  - xv.) Notify A/E and owner of any contractor deficiencies in meeting the requirements of the contract documents and resolve the deficiencies.
  - xvi.) Ensure Contractors obtain proper permits.
  - xvii.) Prepare punch list for all contracts with A/E.
- h.) Implement the safety program and monitor contractor's compliance with the program.

## **I.) BUILDING COMMISSIONING/OCCUPANCY**

- 1.) The Program Manager shall:
  - a.) Assist the Construction Manager in completing commissioning tasks.
  - b.) Obtain certificates of occupancy from NYSED.
  - c.) Organize grand opening events and activities.
  - d.) Approve payments to consultants, including release of retainage.
  - e.) Coordinate and track LEED and NYSERDA submissions through completion.
  - f.) Provide final budget reports as each project is closed.
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
  - a.) Oversee and coordinate building commissioning activities.
  - b.) Assist A/E's with project completion activities
    - i.) Punch list close out.
    - ii.) Certificates of Substantial Completion.
    - iii.) Final inspections.

- iv.) LEED and NYSERDA submissions.
- v.) As-built drawings, equipment manuals, warranties and O&M manuals.
- vi.) Code inspections with the Fire Marshall.
- c.) Coordinate completion of the punch list and close out of all contract items with A/Es and contractors within ninety days from the date of substantial completion for each project.
- d.) Observe and assist Contractor in conducting systems start-up testing.
  - i.) Coordinate appropriate start-up training programs for administrative, teaching, custodial and maintenance staff for building systems and equipment.
- e.) Coordinate final cleaning and start-up services.
  - i.) Certify that all furniture and equipment has been delivered and installed.
  - ii.) Coordinate installation of owner provided furnishings and equipment.
  - iii.) Develop recommended spare parts inventory.
  - iv.) Ensure attic stock is transmitted to the Owner per the contract documents.
- f.) Obtain release of liens and other close out documents from Contractors.
- g.) Review and recommend retainage releases and final payment applications.
- h.) Arrange for move-in and occupancy.

## **J.) POST CONSTRUCTION SERVICES**

- 1.) The Program Manager shall:
  - a.) If required, assist the JSCB with the following:
    - i.) Settlement of all claims.
    - ii.) Litigation preparation (with legal counsel).
  - b.) Assist the JSCB in development of the Program-mandated Annual Program Reports to the New York State Comptroller.
  - c.) Attend monthly JSCB meetings as well as other meetings required to close-out the program.
  
- 2.) The Program Manager shall oversee the Construction Manager(s) who shall:
  - a.) Turnover of all electronic and paper records such as submittals, warranties, construction related documents including but not limited to meeting minutes, RFIs, change orders, daily project logs, etc. to JSCB. All documents must be provided electronically.
  - b.) Resolve post-construction warranty items.
  - c.) Conduct post-construction (11 month) building system and component evaluation and reports (before 12 month warranty has expired).



## K.) Construction Management Software System

- 1.) Administer a web portal based Construction Management System (CMS) approved by the Owner through which all design and construction documentation, all standard construction management tools and communications for all Projects will be filed, stored and accessed.

Including but not limited to:

- a.) Allow individual project participants to upload project documentation through a web portal that will force filing of project documents in operating system-based directories.
- b.) System shall be able to text search all documents including PDF documents.
- c.) Provide for automated notification to specified parties.
- d.) Provide for individual specification by participant as to access rights to the database and filed documents.
- e.) If applicable, provide convenient method for participants to acquire their own license fees without markup to the Owner.
- f.) Software provider must provide live technical support for the software system.
- g.) System shall be capable of storing the following documents for all projects:
  - i.) Project Schedules.
  - ii.) Construction cost tracking.
  - iii.) Project Payment Application and administration.
  - iv.) Change Order administration and tracking.
  - v.) Project Meeting Minutes.
  - vi.) Submittals and Logs.
  - vii.) RFIs and Logs.
  - viii.) Testing Reports.
  - ix.) Sketches.
  - x.) Project Status Reports.
  - xi.) Punch lists.
  - xii.) Warranties.
  - xiii.) Operation and maintenance manuals
  - xiv.) FF&E.
  - xv.) Closeout.
  - xvi.) Building commissioning.
  - xvii.) Insurance Certificate
  - xviii.) Diversity Plan

Documentation. xix.) Certified Payrolls.

h.) Continue to maintain the web-based program for a period of one year after the program close out and turn over data to the JSCB.

## **L.) Training Program Contract**

1.) Program Manager and Owner will jointly select a Training Program Provider. Owner will reimburse Program Manager to enter into a mutually acceptable agreement with the Training Program Provider.

The Training Program provider will serve as the collaborative fiscal agent and project manager, coordinating and contracting all components of the training program to ensure seamless program implementation in order to reach the program's desired results. The Training Program provider will attend JSCB Meetings as necessary and provide status reports as required.

Services to be provided by the Training Program provider should include but not limited to:

### **a.) Outreach and Marketing**

- i.) Create brochures, fact sheets and flyers to promote the program.
- ii.) Meet with individuals that may be interested in the program.
- iii.) Hold small group presentations for neighborhood residents with information about the program.
- iv.) Market program to neighbor businesses and community based organizations (CBOs).
- v.) Network with individuals that are currently enrolled in activities at each of the CBOs.
- vi.) Meet with church ministers to build support for the program.
- vii.) Attend neighborhood events and activities to market the program.

### **b.) Admissions/Testing/Assessment/Referrals**

- i.) Intake sessions with counselors.
- ii.) Data entry/clerical support.
- iii.) Drug testing and background check.
- iv.) National Work Readiness Credential Testing (NWRC).
- v.) Proctor training for NWRC.
- vi.) Proctoring of NWRC.
- vii.) Tests of Adult Basic Education (TABE) testing.
- viii.) Proctoring, scoring of TABE.
- ix.) Optional GED practice test plus scoring.
- x.) Proctoring for GED test.

- xi.) Supplies including paper, pencils, books.

**c.) Soft Skills Training**

- i.) Orientation and soft skills self-assessment.
- ii.) Labor history and introduction to trade apprenticeships.
- iii.) Construction career exploration utilizing NYS Career Zone and Job Zone.
- iv.) Construction math, including basic math refresher, ruler reading, area, perimeter.
- v.) Soft skills training including responsibility, teamwork, time management, acceptable, onsite behaviors and overcoming obstacles.
- vi.) English skills including reading comprehension, writing skills
- vii.) Financial literacy.
- viii.) Digital literacy training.
- ix.) Introduction to green construction.
- x.) Resume preparation and interview skills.

**d.) Construction Training**

- i.) OSHA 10 hour training.
- ii.) Asbestos Awareness.
- iii.) EPA Lead Safety.
- iv.) First Aid.
- v.) Tool Safety.
- vi.) Electrical Safety.
- vii.) Lockout/Tagout.
- viii.) Power and Hand tools.
- ix.) Green Technology.

**e.) Placement/Job Retention Support**

- i.) Identify and develop specific labor trade skills.
- ii.) Conduct mock interviews to prepare the program participants for the interviews with the labor trade unions and/or the subcontractors at the job sites.
- iii.) Utilize relationships with the Labor Trades Unions both statewide and locally to identify placement opportunities that may exist.
- iv.) Work with the ICO to identify instances where the project EEO goals are not being met and identify those individuals that have the required job skills necessary to work with those trade unions that need additional workers.
- v.) Provide retention support for trainees for one year.

## Appendix "B"

2.19.2015

JSCB Phase 2 - Program Management Proposal

# Turner

**HOURLY WAGE RATE SCHEDULE** (based on Direct Labor Costs)

| Name                | Title                                   | Hourly Wage Rate | Wage Multiplier | Hourly Wage Rate w/ Wage Multiplier |
|---------------------|---|------------------|-----------------|-------------------------------------|
| Marty Griffin       | <i>Project Executive</i>                | \$ 70.01         | 2.8             | \$ 196.03                           |
| Chris Gray          | <i>Operation Manager - Syracuse</i>     | \$ 62.69         | 2.8             | \$ 175.53                           |
| Al Waziak           | <i>Project Engineer</i>                 | \$ 65.57         | 2.8             | \$ 183.60                           |
| Sean Griffin        | <i>Project Manager</i>                  | \$ 38.80         | 2.8             | \$ 108.64                           |
| Emily Smith         | <i>Project Scheduler</i>                | \$ 48.00         | 2.5             | \$ 120.00                           |
| Chris Carter        | <i>Project Budget Engineer</i>          | \$ 42.51         | 2.8             | \$ 119.03                           |
| Elroy Edwards       | <i>Assistant Engineer</i>               | \$ 35.00         | 2.5             | \$ 87.50                            |
| Roy Venitelli       | <i>Project Superintendent</i>           | \$ 47.23         | 2.8             | \$ 132.24                           |
| Prudent Engineering | <i>Supertendent</i>                     | \$ 15.00         | 2.6             | \$ 38.85                            |
| Fisher Associates   | <i>Administrative Support</i>           | \$ 20.00         | 2.59            | \$ 51.80                            |
| Chris Fuller        | <i>Safety Director</i>                  | \$ 52.60         | 2.8             | \$ 147.28                           |
| Shawn Wright        | <i>Architectural Consultant</i>         | \$ 52.00         | 2.75            | \$ 143.00                           |
| Daniel Huffaker, PE | <i>Structural / Civil Consultant</i>    | \$ 50.00         | 2.59            | \$ 129.50                           |
| Rick Timbs          | <i>State Aid Consultant</i>             | \$ 64.00         | 2.5             | \$ 160.00                           |
| Matt Gantt          | <i>Compliance / Outreach Consultant</i> | \$ 40.00         | 2.5             | \$ 100.00                           |

**Notes:**

The proposed multiplier covers all profit, overhead, insurance, office space, communications including cellular phones, technology services and equipment, photocopy and mail as well as all employee benefits including, but not limited to, retirement, health, vacation, employee training, insurance, bonding, and taxes.

RFP states that with Owner approval, the Hourly Wage Rate times the Multiplier may increase up to 2% per year. The wage rates and multipliers provided with this proposal do not include annual 2% increases. Stated wages are good through 2015.

Project staffing and schedule based on the schedule that was issued with the RFP. Fees associated with Program Management are a direct derivative of Project Scope, Staff services & Project Schedule. Proposal is predicated on total construction costs of \$225,000,000 per the RFP documents. The above fee would be based upon mutually agreed upon contract terms.

## Appendix "C"

### E.) MANAGERIAL APPROACH

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Describe your proposed management plan for this Program including roles, responsibilities and relationships among team members.

Honed over more than a century of serving clients in diverse industries, Turner's commitment to partnering and its focus on a team approach well suit the position of Program Manager of the Phase 2 Syracuse Schools Construction Program. This Team approach has been developed during our many years of experience building millions of square feet of space throughout New York State. To provide the highest level of service for every client we carefully select our partners to ensure the most diverse and qualified team to meet our clients every need.

Turner's Team meets and exceeds all of the services that your Program requires. Our familiarity with the SED process is unmatched in the industry. The Turner staff named for your project have each worked on several K-12 projects and have the technical and personal skills to make your job easier. Our partners have been selected based on their K-12 and NYSED experience and expertise, and in one case, ACTU Associates, Inc., for their local presence and obvious growth potential. Upon several discussions and meetings with Lyndon Edwards president of ACTU, Turner is arenthusiastic for the opportunity to mentor this Syracuse MBE certified small contractor.

Our Team will be personally and professionally invested in your project and will devote their energies and resources to its success. Our Team will be hands on, involved, proactive, dedicated to keeping the project moving, focused to resolve issues quickly and correctly and vigilant in providing the best product for your District. Our approach to construction and our use of technology will demonstrate our knowledge, experience and enthusiasm to meeting your needs.

Working closely with the JSCB and the district, the Turner Team will first obtain a thorough understanding of the Program goals and design criteria. We will use this knowledge to guide the team and construction.

#### TEAM MEMBERS AND ROLES

**Principal in Charge/Vice President, Carlton E. Stewart, III, LEED® AP, Turner Construction Company**

Carl is the VP of Turner's Albany, Buffalo and Syracuse offices and is responsible for the overall performance of the work completed in Upstate New York and has over 25 years in the construction industry. As an integral part of our detailed system of checks and balances, Carl will bring many years of high profile building experience to the Project Team.

**Project Executive, Marty Griffin, Turner Construction Company**

The project team will be led by seasoned K-12 construction professional, Marty Griffin. As Project Executive, Marty will be your single point of contact for everything. He will monitor and communicate the status of the budget and schedule throughout the program as well as assist in all technical and professional services procurement. Marty will establish and maintain effective relationships with the entire program team including the JSCB, architects and engineers (A/E's), and construction managers (CMs).

Marty will be ultimately responsible for all of Phase 2 operational planning activities and will have overall responsibility for quality, schedule, and cost; oversight of design and

## **E.) MANAGERIAL APPROACH**

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construction management services for the entire Program, and for individual projects. Marty will coordinate and lead a kick-off meeting to outline the goals and objectives of the entire Program and the working relationships of each Program team member.

Marty will be responsible to consult with the JSCB, A/Es, and CMs to provide advice with value management regarding materials, methods, systems, schedules, labor, and other conditions as they would affect construction of and contracting for the construction of the individual projects, i.e., constructability and contractibility reviews. He will be responsible for the aggregation and reporting of Program level activity to the JSCB, as well as auditing and reporting on project level activity to identify breakdowns, shortcomings or failures. Marty will serve as the Owner's representative in the administration of all A/E and CM activities.

Marty has led the construction management teams on numerous K-12 projects including Schenectady City School District, Lowville Academy and Central School, Whitesboro Central School District, and Oneida-Herkimer-Madison BOCES.

Marty will draw from his 27 years of experience to develop a strategy to successfully guide the Phase 2 Syracuse Schools Construction Program as well as to lead and assist the entire Turner Team in their individual duties. This knowledge and proven success will be directly applied to the review of the project, site conditions, logistical planning, schedule development and scope/cost review of this project.

### **Manager of Operations, Chris Gray, Turner Construction Company**

Chris will work closely with Marty during the preconstruction phase to provide operational input for the estimates as well as ensuring a successful transition from preconstruction to construction. Chris's responsibilities will include management of the preconstruction, construction, schedule and budget. In addition to his involvement in the planning and coordinating of the above activities, his extensive relative experience will also prove invaluable as major construction challenges are anticipated, planned for, and effectively dealt with.

Chris will utilize his 21 years of construction experience including 15 years of K-12 experience in his leadership and administration of your project. From the early start up stage on through construction, Chris will be the focal point of the overall construction process at the site.

### **Project Engineer, Al Waziak, Turner Construction Company**

The Project Engineer, Al, is responsible for "building the job on paper." he serves as the conduit through which all information flows. He will develop and manage program controls and schedule.

As the team member directly involved with coordination among the architect, consultants, owner and subcontractors to resolve design constructability and field issues, Al oversees and

## **E.) MANAGERIAL APPROACH**

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provides direction to the office and engineering staff. He will compile, submit, and present monthly summary reports to the JSCB at monthly JSCB meetings. He will cooperate with JSCB legal counsel and collate any required information for FOIL requests related to the Program.

The Project Engineer oversees the submittal process to ensure that: 1) construction details are confirmed and are viable; 2) contiguous trades are coordinated; and 3) materials are reviewed, approved, fabricated, and delivered to the site when required. His careful oversight streamlines work in the field and maintains the overall schedule.

In addition to the above duties, the Engineer leads and documents team meetings. As the team member who oversees all cost-related issues encountered during construction, she communicates the status of these aspects through such management control tools as approval letter reports, scope development/change estimate reports and budget control reports. Chris will administer and manage the web-based construction management system through which all design and construction documents, all standard construction management tools and communications for all projects will be filed, stored, and accessed.

### **Assistant Engineer, Elroy Edwards, ACTU Associates, Inc.**

The Turner Team has enthusiastically established a mentoring relationship whereby Turner Construction shall mentor Elroy Edwards of ACTU Associates, Inc., a Syracuse City certified MBE firm, and assist in developing sufficient skills and expertise to expand Elroy's personal and ACTU Associates business capabilities. Elroy will work side by side with our Engineer's, and mentoring shall focus on such areas as cost estimating, contract and workforce administration, scheduling and financial matters. Elroy's background, experience, and local reputation qualify him as an ideal candidate for mentorship. We know that this experience has the potential to be a giant step forward in the growth of ACTU Associates.

The Assistant Engineer will monitor report, and coordinate the following on all projects; LEED, State Environmental Quality Review (SEQR), energy modeling, evaluation of O&M building costs & logistics, and value engineering.

### **Sr. Superintendent, Sean Griffin, Turner Construction Company**

The Sr. Superintendent is responsible for the day-to-day supervision and management of all CM's and project activity. As Sr. Superintendent, Sean is directly responsible for scheduling, coordination, and ensuring the safety of all on-site personnel as well as the general procedures. To accomplish his objectives, Sean will hold meetings with the Construction Managers and Prime Contractors to review progress of the work, upcoming events and potential impact on the users or the Facility.

During the construction phase, he will monitor closely the CMs as they lead, manage, and direct all field activities at the project level. As Sr. Superintendent, his responsibilities will also involve:

- Monitoring of the Master Program Construction Schedule

## **E.) MANAGERIAL APPROACH**

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- Conducting CM / prime contractor meetings
- Administering construction support activities
- Ensuring construction compliance
- Oversee field installation details / issues
- Oversee start-up and commissioning
- Oversee punchlist development and management

The Sr. Superintendent also implements the Program's quality assurance and quality control operations. Working with the Project Engineer to obtain all necessary information, authorizations and documents required to expedite and build the project, he develops a Program-specific plan to carry out the procedures needed to deliver the required quality. By coordinating daily operations within his purview, his development and management of quality control tracking mechanisms ensure continuity among all phases of the project.

### **Superintendent, Roy Venitelli, Turner Construction Company**

The Superintendent is responsible for the day-to-day supervision and management of all CM's and project activity. Roy reports directly to Sean. He is responsible for scheduling, coordination, and ensuring the safety of all on-site personnel as well as the general procedures. To accomplish his objectives, Roy will hold meetings with the Construction Managers and Prime Contractors to review progress of the work, upcoming events and potential impact on the users or the Facility.

- Monitoring of the Construction Schedule
- Conducting CM / prime contractor meetings
- Administering construction support activities
- Ensuring construction compliance
- Oversee field installation details / issues
- Oversee start-up and commissioning
- Oversee punch list development and management

### **Budget Engineer, Christina Carter, LEED AP, Turner Construction Company**

The Budget Engineer, Chris, evaluates, coordinates and distributes information and authorizations necessary to construct all projects on time, within budget and to required high standards of quality.

Chris' focus will be on budget monitoring and management responsibilities including:

- Reviewing, recommending for approval, and submitting payments of processing.  
Work with team and SED to develop maximum MCA's for each building
- Works with the JSCB in reducing the Program local share cost.
- Collect and maintain a record of all Program related certificates of insurance.
- Monitor, report and coordinate on Cost Estimating.
- Monitor, report and coordinate on Cash Flow Projections.
- Monitor report and coordinate on Insurance claims processing assistance.
- Monitor MCA at each building.



## **E.) MANAGERIAL APPROACH**

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The Budget Engineer will monitor the CM's project construction estimates and budgets and report progress and findings regularly to the JSCB. Chris will work closely with our Project Executive to verify that all NYSED requirements are met and that all project approved cost allowances (MCA) are not exceeded to allow project construction to proceed in accordance with the cost limits specified in the legislation.

### **Design Manager, Shawn Wright, Architectural and Daniel Huffaker, Civil/Structural, Dwyer**

The Design Manager, Shawn Wright, is responsible for all management and oversight of A/E activities and design coordination with consideration to existing conditions, logistic planning, user input, and JSCB requirements. Dan will be responsible for oversight on Civil and Structural activities and design and will report to Shawn. Shawn will verify compliance and continuity of design, in regard to all building codes, legislation and standards: Federal, State, County, City and SCSD.

Design management responsibilities including:

- Monitor, report, and coordinate value engineering
- Oversee CM's constructability reviews
- Comparing design documents for consistency and coordination.
- Reviewing specifications/drawings/contracts and verifying CM contractor project checklists
- Resolving design omissions or conflicts through regular A/E meetings
- Oversee submittal process for compliance with design documents and contract agreements.
- Assist in the review and approval process with JSCB, SCSD and SED
- Identifying Turner and/or subcontractor permit obligations, preparing the matrix, following through with subcontractors to ensure obligations are understood and assisting field staff to ensure that permit processes are being expedited.
- Coordinate user input with the design team, the District and City Departments e.g. technology, security, maintenance, library media, food service, ADA, SHPO, etc. and other agencies.

### **Compliance Manager, Matt Gantt, FMG Enterprises**

As Compliance Manager, Matt, will be responsible for all Program level compliance responsibilities including:

- Assist in the administration of procedures pursuant to the Development and Diversification Plan for Workforce and Businesses.
- Prepare, verify, and deliver certified payrolls, including sub-consultants, on a monthly basis.
- Assist the ICO in overseeing, facilitating, developing, and/or implementing the following (regarding workforce development & diversification):
  - A community-wide public relations campaign.

## E.) MANAGERIAL APPROACH

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- A methodology which assists contractors, suppliers, professional service firms, or any other businesses providing goods and services to the Program to effectuate the workforce diversity goals of the Program.
- An independent compliance program to monitor performance of contractors, suppliers, and professional service firms.
- Regular monthly reporting process to the Board setting forth the results of all employment and compliance activity and dispute resolution activities.
- Provide the ICO with a monthly workforce & census and other employment and certified payroll records necessary to verify achievement of the workforce diversity goals and demonstrate compliance with the minimum standards. Employee (EEO) zip code information must be listed on monthly EEO report.
- Oversee, facilitate, develop, and/or assist the ICO in implementing the following (regarding business development & diversification):
  - Identify City of Syracuse certified MBE and WBE firms available to provide goods and services to the Program and to create a reference list for all Program participants.
  - Identify City of Syracuse firms that could/can be certified as MBE or WBE.
  - Ensure that contractors and suppliers divide the goods or services to be provided into Scopes, where economically and technically feasible, to create opportunities for participation.
  - Coordinate activities and services with organizations such as chambers of commerce, trade groups, and community-based groups/organizations that promote MBE and WBE interests.
  - Create opportunities for mentoring less experienced and/or start-up M/WBE's.
  - Encourage the formation of joint ventures, partnerships, or other similar arrangements where feasible to provide for greater opportunity for MWBE owned firms to participate in the Program.
  - Develop a methodology that assists contractors, suppliers, professional service firms, or any other business providing goods or services to the Program to effectuate the business development and diversification goals of the project and the minimum standards to be attained.
- Provide the City's Compliance Officer (CCO) & ICO with a monthly report demonstrating compliance with the Business Development and Diversification Rules. Submit periodic reports to verify the continued participation and final percentage participation of the certified firms.

### **State Aid Review/Maximization, Rick Timbs, R. G. Timbs Advisory Group, Inc.**

Rick will lead the team in developing the financial plan for each building, including MCA's and costing.

### **State Aid – Building Aid –**

The analysis of state building aid and its impact.

- Examination of aid eligibility
- MCA's - Maximum Cost Allowance's
- Timeline considerations
- Cost parameters and considerations

## E.) MANAGERIAL APPROACH

Related capital project application requirements for the State Education Department that include:

- Instructional space reviews
- Enrollment issues
- Project scope identification
- Facilities needs assessment
- Related matters
- Interface, on behalf of the JSCB, with the State Education Department, its designated project manager and Director of Facilities Planning (Carl Thurnau) and Director of Management Services (Charles Szuberla).

### **Safety Manager, Chris Fuller, Turner Construction Company**

As Safety Manager, Chris is responsible for the promotion of proactive safety and security programs throughout project. Primarily, his goal is to ensure that safety is included as a part of the total quality management of the project. The end result of this is improvement of overall job efficiency and a reduction in injuries and property loss while ensuring all workmen comply with the security requirements. Additionally, he is responsible for the overall development of employee and worker training programs which include: ongoing safety training, coordination of security compliance; accident investigations and follow-up; quarterly audits of all open workers compensation and general liability claims and assist in settlements of claims, project safety pre-planning; developing site specific safety policies; communicate results of site audits through safety bulletins and weekly meetings.

### **Scheduling Manager, Emily Smith, Fisher Associates**

The Scheduling Manager, Emily, is responsible for the flow of the project and coordination of all phases and scopes of work. She maintains the Master Project Schedule to ensure a smooth-running project and coordinates with each team member to keep them aware of their responsibilities and commitments during the life of the project. The Master Project Schedule will incorporate all work included in the Program, as well as delineate design and construction activities for each project. The Master Project Schedule provides the framework for management and coordination of the Program team.

## PROPOSED MANAGEMENT PLAN AND TEAM MEMBER RESPONSIBILITIES AND RELATIONSHIPS BY PHASE

Turner Construction takes pride in its capability to provide quality preconstruction and construction services that sets us apart from our competition. It is our ability to provide superior teamwork, scheduling, quality control, budgeting and cost control services during the design process that has allowed us to provide our Owners with the highest degree of service and predictability throughout all phases of the project delivery process.

Program Management services will include leading the JSCB through the necessary steps to assist in planning a district improvement program that best meets the Program goals listed below.

- 1) Minimize the local share of the total Program cost, which is not reimbursable by SED.

## **E.) MANAGERIAL APPROACH**

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- 2) Reconstruct existing schools in order to create equity of facilities, across the City.
- 3) Partner with local non-profit training entities to further grow a diverse work force of City residents.
- 4) Implement the Phase 2 Development and Diversification Plan for Workforce and Business plan in order to achieve the EEO, MBE, WBE and resident employment goals set by the JSCB.
- 5) Provide solutions to school space construction impact including construction phasing and swing space in order to minimize disruption to existing school operations and instruction.
- 6) Utilize and implement sustainable design strategies in accordance with SED and City requirements for LEED standards including Chapter 52 Syracuse Green Buildings Ordinance.
- 7) Improve the local economy by creating bid packages that maximize local participation.

To achieve the Program goals we developed our managerial plan in accordance with the Phases of the Program as detailed in the RFP.

### **PRE-DESIGN PHASE PLAN:**

Pre-Design is the time where Turner will set the project up for success. Your project includes a significant amount of mechanical, electrical, and plumbing work which will need to be carefully sequenced and coordinated to facilitate minimal swing space utilization and ensure quality. Our goal will be to work with the JSCB to develop a comprehensive plan that will deliver identified work scopes within the approved budget and timelines.

The Turner team uses a diagnostic approach when beginning new school projects to capture the full understanding of each district's needs and potential design solutions.

Our Pre-Design Phase plan begins with evaluating the Phase 2 Comprehensive Plan, reviewing program needs and conceptual plans, and listening to design ideas. We can provide accurate, detailed and reliable estimates for the architect before schematic drawings have begun because our cost database is developed around over 120 school projects.

Over the past five years, we estimated or received bids for over 60 elementary, middle and high school projects. Consequently, your A/E can readily access current costs. This also means that the Project Team can assess options and budget implications because they have detailed breakdown of equipment, mechanical & electrical systems and specialties needed for science labs, along with media centers and computer class-rooms.

Getting off to the right start is key to the success of any project. Our Turner Team will immediately begin the Pre-construction Phase led by Project Executive, Marty Griffin, and Manager of Operations, Chris Gray.

- We will conduct and document Regular Weekly Meetings. We consult with the JSCB and other members of the construction and design team to up-to-date our understanding of the present program requirements. Important items include budgets, time duration,

## E.) MANAGERIAL APPROACH

special project requirements, etc. These meetings will help us "tune-in" and be sensitive to the needs of the established team;

- We will develop the Pre-construction Schedule by identifying the responsibilities of all the Team members. This schedule will show the critical activities, as well as dates that must be met in order for construction to start on the desired date;
- We will develop a Master Construction Schedule listing the major activities and their respective durations, as well as Program milestone dates.
- We strive to create an atmosphere of collaboration at the outset of the design and construction process. Our objective is twofold -- to ensure that all team members clearly understand project goals and to establish trust among the group. Sound partnerships result in successful projects.

General scopes of services that our Team will provide throughout the Pre-Design Phase include:

- Strategic planning, consultation and overall campaign management based on a thorough review of the Phase 2 Comprehensive Plan from a Program standpoint.
- Review overall project budget and impact of Comprehensive Plan from a Program standpoint.
- Develop a communication schedule that outlines responsibilities of key JSCB and district individuals.
- Provide ongoing consultation to the JSCB and district administration via scheduled meetings as well as regular communication by phone, fax and email (through all phases).
- Develop a communication plan for the project.
- Assist in negotiating the existing Project Labor Agreement (PLA). Administer and manage the PLA including all required notifications, recordkeeping, and reporting requirements.
- Develop procedures for monitoring, reporting, and enforcing the PLA (through all phases).
- Oversee Construction Managers who shall evaluate project phasing, scheduling, swing space requirements and construction in occupied buildings from an individual project standpoint.
- Assist the JSCB in the Training Program Provider selection process.
- Work with the JSCB in the projects scope development.
- Review and recommend changes to the preliminary Program controls and schedule.
- Assist in the preparation of RFQ / RFP documents and in the selection and hiring of consultants, including but not limited to architects, engineers, Training Program Provider, construction managers, specialists in hazardous materials, telecommunications, and state aid reimbursement consultants if needed.
- Evaluate project phasing, swing space requirements and construction in occupied buildings from a Program standpoint and coordinate with the Construction Manager at the project level.
- Analyze site usage to determine optimum solutions for building additions.
- Oversee Construction Managers who will review Comprehensive Plan budgets and prepare construction estimates including incidental costs for individual potential projects in NYSED required cost breakdowns.
- Assist Project Engineer.

## E.) MANAGERIAL APPROACH

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- Work with Rick Timbs in development of MCA's.
- Identify sources of outside funds in addition to NYSED building aid for the Program.
- Analyze design scope for comparison with approved SED MCA's.
- Identify and track critical activities that influence program success during the early stages of the Program, such as: swing space move dates, phased construction constraints, and other JSCB and district requirements that directly impact the overall schedule.

### SCHEMATIC DESIGN PHASE PLAN:

Our goal throughout the Schematic Design Phase will be to work with the District and the design team to develop a constructable, affordable and long-lasting design, provide accurate and timely cost estimates to provide the JSCB with the best possible value for your money. The main steps in our plan are:

**Review of Existing Conditions** – Turner's team will review the existing conditions and provide recommendations on cost effective methods to complete the identified work scopes. For example, existing conditions of heating and ventilation systems should be reviewed in concert with the conceptual design to ensure that the construction drawings reflect existing conditions.

**Cost Reviews** – Our knowledge of the "local" building market, knowledge of building systems and their associated costs, our tailored estimating programs and our historical database enable us to produce detailed, complete and accurate cost information.



We will work the JSCB to validate the conceptual budgets and then will meet with the design team to review our findings and reconcile any differences. As part of this process each project will be evaluated for subjection to NYS Historic Preservation requirements.

Cost reviews of the Construction Managers project budgets and NYSED schematic budgets will be performed. Each project's approved cost allowance (MCA) will be verified and oversight of any necessary design revisions to meet these requirements will be performed. The master Program budget will be compiled and maintained for presentation to the JSCB.

**Value Engineering** Value Engineering is a process that guarantees a client's program is delivered in the most effective and efficient manner. Turner Construction Company's approach to value engineering ensures that the end goal of adding value for the client, not simply cutting cost, is always kept keenly in focus.

Value engineering analyzes the functional requirements of a project to achieve essential functions at the lowest total cost over the life of the project. It is a well-organized approach designed to optimize the value of each client dollar spent. It serves as a management tool that complements, but does not replace, other cost-reduction techniques.

*The essence of Turner's commitment to value engineering is to provide the client with a greater value for the same, or less, money.*

## E.) MANAGERIAL APPROACH

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By facilitating the value engineering process, Turner combines its systems knowledge with vendor specialists to ensure that proper decisions are made when performing cost analyses on individual items within the scope of the total project.

Simply put, high-cost components are identified and systematically evaluated. If they do not contribute to the system's basic functions, they are modified or eliminated. Less costly alternatives for specific functions are developed and proposed for consideration to the project team.

To achieve the greatest benefits, Turner recommends that the value engineering process starts early and continues through the life of the Program.

As the project moves into schematic design, conceptual plans are thoroughly analyzed, with alternate systems for all aspects of construction evaluated. At every step, the team reviews the cost advantages of substituting less costly materials for more expensive items without losing functionality.

Turner's involvement at each step of the process provides value to the project in the following ways:

- Our experience in the construction marketplace allows us to bring real-time information on systems and costs to allow your team to evaluate options based upon current and accurate information.
- We provide detailed estimates at every stage of the project. In developing and providing this detail, we bring the baseline information critical to identify and compare alternate details, systems and approaches.
- Turner offers in-house experts on all major building systems, including civil and site work, structural, building envelope, interior systems, medical equipment, mechanical, electrical, controls and data/communications. When combined with that of our subcontractor and supplier community, this expertise enables us to look holistically at your total Program to allow the team to effectively weigh all value-added opportunities.
- We have proven systems and templates used to display and track all value engineering items. These tools are invaluable in keeping the project team abreast of the status of each item, enabling them to make informed decisions based on the most accurate, up-to-date information.
- Turner is firmly committed to providing the client with the ability to make logical decisions on the level of quality attainable for the projected expenditure. Our goal is to pare down costs to their essentials without sacrificing quality.
- This is the essence of Turner's commitment to value engineering: providing a greater value for the same, or less, money.

Our Team will concentrate our value engineering efforts at a Program level, while maintaining continuous oversight of value engineering by the Construction Manager at the project level. As several projects require new or renovated mechanical systems and nearly every project will be

## E.) MANAGERIAL APPROACH

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receiving security system upgrades, there is value saving potential at the Program level in the procurement of bulk materials.

**Schematic Design Management** The design schedule proposed by the School District's Architect will be tracked on the Turner Team's Master Program Schedule. Turner's Team will coordinate user input with the design team, the District and City Departments e.g. technology, security, maintenance, library media, food service, ADA, SHPO, etc. and other agencies to integrate into the Master Program Schedule and schematic design. A/E City and District design standards will be verified within the schematic design.

The Design activities will follow the normal SED processes and approvals, including: permit deadlines, school board and JSCB approval dates and any particular bidding window that gives the project an economic advantage. Our Team will provide assistance to the JSCB, SCSD, and SED throughout the approval process. Schematic design presentations for approval will be coordinated with the JSCB, SCSD, and SED and included in the Master Program schedule to ensure meeting of all deadlines.

Turner's Team will be in place to manage the design process, the design team, and provide weekly updates of the design schedule and recommend course corrections as required. Turner's Team will provide reports to the JSCB commenting on the schematic and design development submissions with attention to coordination problems which may effect construction, schedule, or budget.

Specific Schematic Phase responsibilities of our key Team members are (in addition to those continuous from previous phase):

- Maintain communications regarding design activities with JSCB through reports, monthly meetings and updates to JSCB website (through all phases). Review overall project budget and impact of Comprehensive Plan from a Program standpoint.
- Continue oversight of Construction Managers management of project phasing, scheduling, swing space requirements and construction phase planning, as well assistance in the single or multiple General Contractor decision process.
- Develop Program wide job site security procedures to be monitored through all phases.
- Continue assisting the JSCB in the projects scope development.
- Follow the scope of each project as it relates to MCA and work with Rick to identify issues and solutions.
- Review existing conditions and provide cost effective recommendations.
- Coordinate the development of construction contract forms and general conditions documents that are acceptable to the JSCB.
- Review CM prepared project estimates and compare to MCA's and consult as necessary.
- Oversee the Construction Managers development of bid packages.
- Review, recommend for approval and submit payments for processing (through all remaining phases).
- Oversee CM's who shall prepare schematic design construction cost estimates to be submitted to NYSED for review. If required, assist with any necessary redesign to meet the cost limits as required by the legislation.
- Review the project cost estimates prepared by the CM and compare them to the approved cost allowance for each building project (MCA) to verify the projects can



## E.) MANAGERIAL APPROACH

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proceed in accordance with the cost limits specified in the legislation. If required, oversee any necessary redesign to meet the cost limits as required by the legislation.

- Validate schematic cost estimates and consult with the A/E to review findings.
- Initiate project scope and funding revisions, extensions and approvals.
- Evaluate all project schedules from the Construction Manager to verify that all critical activities established in the pre-design phase are included and will compile, update, and maintain the master Program schedule.
- Collect and integrate Design schedule activities into the Program Master Schedule.
- Verify A/E's incorporate City and District design standards into the project designs.
- Identify any construction projects that are subject to NYS State Historic Preservation Office (SHPO) requirements and determine impact to budgets and schedule.
- Coordinate design presentations to secure schematic design approvals with JSCB, SCSD, and SED, and if required, organize schematic design presentations for the community.
- Initiate project scope and funding revisions, extensions and approvals.
- Perform value engineering services at a Program level.
- Oversee CM's who shall provide value engineering services at the project level.
- Manage the architectural firms throughout Schematic Design process and coordinate any necessary design meetings (through all phases).

### DESIGN DEVELOPMENT PHASE PLAN:

In the Design Development Phase, additional value engineering suggestions are analyzed. The team investigates the advantages of pre-purchasing certain equipment and performs a complete study on availability of materials. Oversight of the CM's continuous project level value engineering and operating/maintenance cost savings analysis will continue. Master Program schedule management, and cost reviews and evaluations continue as well as regular communications with the JSCB, SCSD, and SED.

Management of the design team will also continue. Throughout the Design Phase, incorporation of user input gathered in the Schematic Design Phase will be verified. As the design is developed, the Turner Team will establish a Program level logistics plan that will be cost effective and least disruptive to the school district and oversee the CM's in conducting ongoing constructability reviews. These considerations will be incorporated into the design process as required.

Logistics Planning Turner Construction Company understands the critical importance of developing a proactive site logistics plan for school district projects. Extensive construction can present a serious challenge when deadlines must be met and work is being phased-in and completed while school is in session. Our main objective during construction is to minimize the disruption of ongoing school operations and programs, along with the impact on surrounding neighborhoods.

To prevent or at least diminish potential problems, Turner's Team will work with the Construction Managers to develop project specific logistic plans with consideration to the schematic budgets and schedules previously developed. We will then analyze these plans on a Program level and make strategic modifications to maximize efficiency. We analyze the physical constraints and advantages of the building sites and organize the initial flow of labor and material into the new

## E.) MANAGERIAL APPROACH

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construction. This analysis is vital to gaining an accurate understanding of potential construction issues associated with any major building project.

The plan shows the location of all temporary construction facilities, including hoisting, construction offices, concrete hoists, refuse removal chutes, crane positioning, safety equipment, etc. It identifies all activities and events that could be affected and offers solutions that have been closely coordinated with the school district's buildings and grounds department, administration and staff.

The ability to maintain a smooth flow of material and labor around the job site is key to establishing an efficient project schedule. Our Logistics Plan will provide the most cost efficient ways to expedite this Program. We overcome typical project challenges by:

- Relocating/modifying major utilities at each building swiftly and with minimal disruption of services or day-to-day functions of the facility before the start-up of building renovations/additions.
- Taking every advantage of scheduled school vacations to expedite abatement, selective demolition and renovations within the confines of existing facilities.
- Safe and Secure isolation of Students, Faculty and Staff from construction operations during school hours.
- Sequencing construction to maximize utilization of trades on site, minimizing multiple mobilizations thus maintaining continuity coordination and phasing to minimize disruption:

Utilizing strategies from Turner's recent projects will help us to deliver your project on time, safely and in an organized, deliberate manner. Turner will work closely with the district staff to finalize a plan that will work both for ongoing operations and for promoting a strategic flow of work.

**Constructability Reviews** – Constructability reviews will begin early in the design development process to maximize the favorable impact such reviews will have on overall schedule and to mitigate the influence of faulty construction sequencing, incomplete purchasing of materials and unsatisfactory or incomplete design. Constructability is a key component to achieving cost-effective project solutions. Constructability reviews are the process whereby the design criteria and performance standards are reviewed to "scrub" the documents clean of difficult-to-build details or costly items that do not add value to the School District.

Turner's Team will oversee and analyze the CM's constructability reviews using our "builder's approach". Our focus will be on looking for real, tangible improvements that will reduce future maintenance expenses and simplify assemblies using proven "best practices". The entire Turner project team participates in the constructability review, with each team member focusing on their particular area of expertise and assignment for the project. The project level information is gathered and combined into one Program level report for presentation to JSCB and A/E's. This document will remain in place to track each item to resolution. This will translate into more competitive and comprehensive bids and documents that are clear and more easily built.

Specific responsibilities performed by our Team staff during the Design Development Phase are as follows (in addition to those continuous from previous phases):

## E.) MANAGERIAL APPROACH

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- Verify that there is adequate budget and time to fund and construct the projects within the parameters of the Program.
- Submit regular Program reports for critical issues, including design issues, schedule progress, cash flow forecast, and budget vs. actual reporting.
- Program budget and schedule analysis.
- Review CM 50% of final design construction cost estimates and continue MCA monitoring.
- Oversee the CM's design responsibilities, including:
  - Drawings and specifications review and analysis focusing on coordination and omissions.
  - Preparation of 50% of final design construction cost estimates to be submitted to NYSED.
- Review the project cost estimates prepared by the CM and continue MCA monitoring.
- Oversee the CM's budget management responsibilities, including:
  - Review, recommend for approval and track project budget and budget vs. actual for all projects.
  - Update construction cost estimates.
  - Update evaluation of reimbursement of eligible and ineligible project costs.
  - If requested by the JSCB, prepare and analyze the life cycle cost of different alternatives with the architects and engineers.
  - Identify bid alternates for cost control.
- Assist the PE in CM 50% of final design construction cost estimates review and MCA monitoring.
- Update and maintain the master Program schedule.
- Continue oversight of CM project schedules development and analysis.
- Collect and integrate Bid and Award schedule activities into the Program Master Schedule.
- Continue scope and funding analysis and processes.
- Coordinate reviews for final design approvals.
- Schedule and attend required public meetings such as design review meetings at individual buildings.
- Assist in the review and approval process with the JSCB, SCSD, and SED.
- Coordination with equipment and furnishings consultants.
- Manage the A/Es in their preparation of bid specifications and bidding activities for purchase of furnishings, fixtures and equipment (FF&E).
- Develop a safety program for implementation by the CM's.

### CONTRACT DOCUMENT PHASE:

The role of Turner's Team in this phase of the Program will be to manage and execute the final approval process of the contract documents. Turner's Team will manage the A/Es through the final stages of architectural drawings and specifications development to complete the work of Phase 2 as defined by the JCSB. We will also oversee the A/Es preparation of contract language and bid packages.

Turner's Team will work with the A/Es and CMs to provide clear, understandable drawings, specifications, and bidding documents that the prime contractors can easily understand. As our

## E.) MANAGERIAL APPROACH

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Team will be managing the A/Es through the entire design process, re-design is eliminated, project issues are resolved much faster, and the combined team has the expertise of both design and construction experts.

New Team responsibilities specific to the Contract Document Phase include (in addition to those continuous from previous phases):

- Coordinate and track projects through the appropriate regulatory approvals (e.g. NYS DEC, NYS DOL).
- Assist the JSCB in preparing bid documents for required testing services and any other required third party vendors.
- Coordinate final design submissions with the A/Es to receive NYSED approvals.
- Secure final design approvals from JSCB, City, SHPO, Regional Advocate, SCSD, and NYSED.

### **BIDDING AND CONTRACT AWARD PHASE:**

Turner Construction Company maintains a current subcontractor database that includes more than 700 pre-qualified contractors; nearly 50 of whom are minority and/or disadvantaged companies. Our experience with contractor teams includes all facets of the bid process, abilities, workload, manpower availability, financial statements, references and work regions. Based on this information, we will work with the CMs to prepare a preliminary list of contractors and instructions to bidders.

A crucial step in the bidding and award phase is clarifying the scope of each trade. Turner's team will ensure that special conditions and supplemental general conditions are developed for each bid package to minimize conflicts between bid packages and gaps in purchased items.

Our Team analyzes the schedule relative to any items requiring long-lead procurement. If any materials or equipment fall into this critical category, we develop a plan for early bid packages and release sequences to assure schedule compliance.

Our Team will coordinate all bid advertising, pre-bid meetings, and site visits. Turner will conduct project tours so potential bidders can see the surrounding community, review vehicle and pedestrian travel patterns, see available delivery areas and the anticipated on site storage areas. We will schedule, organize, conduct and lead very detailed project pre-bid meetings. We will oversee distribution of formal minutes of the visits to include the roster of attendees, and written responses to all inquiries. Management of the A/E addenda process including content review, approval, and distribution will follow the pre-bid meeting and request for information deadline. Upon receipt of bids, our Team analyzes all bid results in comparison to construction cost estimates and will oversee any required redesign and rebidding processes. We will present a bid award summary and recommendation analysis comparing the bid amounts to the construction cost estimates for JSCB information.

## E.) MANAGERIAL APPROACH

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In summary, we manage the bidding and buyout process in its entirety by conducting and/or overseeing the following critical steps in the process:

- Preparation, assembly, and distribution of bid packages.
- Conduct pre-bid meetings.
- Conduct site visits.
- Analyze and descope bids for completeness.
- Conduct post-bid interviews with apparent low bidders.
- Conduct pre-award meetings.
- Solicit value engineering and cost-saving proposals from selected prime contractors.
- Review alternative cost saving methods with the JSCB and A/Es.
- Preparing subcontractor/purchase agreements.

Our Team's individual responsibilities regarding the Bidding and Award phase include (in addition to those continuous from previous phases):

- Organize and conduct pre-bid meetings and site visits for bidders.
- Oversee CM bidding and award activities including bid evaluations, de-scoping, and contracting of prime contractors.
- Coordinate the placement and timing of all of public advertisements with the City Division of Purchase.
- Review bids and compare with construction cost estimates.
- Oversee A/E preparation of pre-bid minutes and addenda.
- Review and recommend approval of addenda to the JSCB.

### PROJECT CONSTRUCTION PHASE:

As Program Manager and leader during the construction phase of Phase 2 of the Syracuse Schools Construction Program we will provide direct oversight of the following project level construction management services:

- Scheduling
- Cost Control
- Prime Contractor Administration
- Safety
- Quality Control
- Change Order Control
- Close-out



**Open communications among all team members** – Throughout the construction phase we address schedule in our weekly CM / Prime Contractor meetings, each pre-installation meeting, biweekly project manager's meetings and monthly JSCB and A/E meetings. We will push all parties to execute decisions needed to advance the work on site and keep each project on schedule.

## E.) MANAGERIAL APPROACH

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**Coordination of trades** – Turner believes that a comprehensive, continuously monitored Master Schedule is the road map to the successful completion of a project. To control the construction process, Turner first develops a realistic, logical and well-planned schedule. Turner will monitor two week look ahead schedules each week. Schedules and progress against the schedule will be examined in weekly meetings with the Construction Managers, prime contractors and their subcontractors. In addition, the logistics plan will be verified to reflect sequencing, completion, deliveries, crane locations, etc. This schedule will be posted throughout the project site so the information makes it to all of the trade companies.

**Continuous field inspection by Turner staff** – We have staffed this project to ensure full time, on site representation. Turner staff will be in the field every day to review if work is being installed in accordance with the contract documents, to interact with Construction Managers and prime contractors, to assist in problem resolution and ensure that the construction is completed in accordance with the design. Avoiding rework saves time, reduces change orders, and helps maintain morale and the schedule. On a project at Westhill Schools we logged in roughly 2,400 QA/QC items over the course of the project which reduced the punchlist significantly.

**Coordination and phasing to minimize disruption** - Our main objective during construction is to minimize the disruption of ongoing school operations and programs as well as the impact on surrounding neighborhoods. A well thought out and detailed logistics plan and schedule is fundamental to ensure that the work will be performed in a manner and sequence that is specific to District needs and building operations. Utilizing strategies from Turner's recent projects will help us to deliver your project on time, safely and in an organized, deliberate manner. Turner will work closely with the district staff to finalize a plan that will work both for ongoing operations and for promoting a strategic flow of work. If temporary provisions (partitions, fencing, signage etc.) are required we will identify, detail and assign them to the appropriate contractor through our detailed bid packages.

**Cost control & change orders during construction** - Turner maintains control of all change orders by establishing stringent procedures with the CMs for processing changes to proceed in the following manner:

- Identify each proposed change with a tracking number and descriptive title.
- Certify that the proposed change is beyond the scope of existing contracts.
- Distribute information relative to the proposed change to the prime contractors for their analysis.
- Obtain prompt written responses from prime contractors containing their proposal, in a standard format suitable for reasonable and accurate verification, for performing the proposed changes.
- Determine that the change proposals are fair and reasonable. If necessary, it will conduct negotiations with prime contractors.
- Submit to the owner and design team a formal recommendation of the change order to be issued including all pricing materials.

Turner will manage the control of all change orders by maintaining an ongoing schedule and status report delineating all changes. This report will be reviewed at each Turner-JSCB meeting

## E.) MANAGERIAL APPROACH

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and at each Turner-CM meeting. Central to discussion will be an analysis of how a change will impact the job progress schedule.

*Resolution of construction claims* - Turner's philosophy is to spend time in planning, analyzing, and defining the project so comprehensively that claims and excessive change orders are avoided. Much of our review of the construction documents and our bid packaging instructions to bidders are dedicated to bring a tailored and clear set of drawings to the market. We believe the success of this investment of hours and of this philosophy are evidenced by the absence of claims, liens and lawsuits from our projects. In fact, over the last 10 years we have not had any lawsuits filed regarding contract claims. In other words, "an ounce of prevention is worth a pound of cure."

The great majority of our projects through the years have not had lingering claims beyond the normal negotiations of pending change proposals. Part of that success on the behalf of our Owners is the steps we take when a potential claim comes to light.

- Propose a partnering program to facilitate a working resolution
- Insist on a complete breakdown of the claim
- Insist on adherence to the contract drawings and specifications
- Conduct a thorough investigation on the conditions and occurrence of the claim
- Conduct negotiations to lead to possible mutually agreed mediation

On our agency Construction Manager projects, we have successfully assisted our Owners against claims. For example on one project, a prime contractor defaulted, making necessary the take-over of the contract and remaining work by the bonding company. Outlining in detail the remaining items to be completed and getting the Surety to respond quickly was critical to keeping the overall completion dates on track. This was only achieved by good documentation and tracking of the schedule of values and the progress of the work and payments by our supervision. We were instrumental for our Owner in resolving the closeout of contract and delineating the remaining work values and subcontractor claims. We have helped in defending our Owners by showing, through a documented paper trail, why the claims were not legitimate and were, in fact, part of the original assigned scope of work.

Specific Construction Phase responsibilities of our key staff include (in addition to those continuous from previous phases):

- Attend monthly JSCB meetings to present the PM report. Submit project reports as needed for critical issues such as design issues, schedule progress, cash flow forecast, and budget vs. actual reporting.
- Oversee CM's who shall Manage submittals, contractor payments, change orders, RFI's, inspections, and commissioning.
- Manage budget and schedule including reviewing CM approved CO's, provide any changes to the financial report to JSCB as they occur (including reallocations in contract award amounts), advise the JSCB on courses of action when contract requirements are not fulfilled, assist the JSCB in processing any claims, and recommend any cost reallocations required between contracts or within the Program budget.
- Oversee CM's who shall Coordinate required compliance submissions with the ICO for all projects and assist the ICO as requested to ensure that contractors meet or exceed their M/WBE, EEO and residency goals and procedures as outlined in the Phase 2 Development and Diversification Plan for Workforce and Business.

## E.) MANAGERIAL APPROACH

- Oversee CM's who shall Verify and compile certified payrolls for contractors.

### BUILDING COMMISSIONING / OCCUPANCY PHASE:

**Project Closeout** - It is our philosophy that closeout begins day one. Our Project Manager will include all closeout requirements in the early submittal log (including O&M Manuals, attic stock, training, as-builts, etc) so that it is tracked from project kick-off. We will host bi-weekly closeout meetings with the Contractors to push them along with the process and we will inspect their as-built drawings monthly as part of the pay application review process. We will also develop a project specific training log and work to have all O&M manuals in hand prior to beginning any training. Our Project Manager will actively manage the change order review process so that cost issues do not delay the completion of the work or issuance of the final cost report. Using these tracking tools and implementing our continuous QA/QC system, our projects are generally closed out within 2-3 months after substantial completion.



In order to accelerate the completion of validated facilities, Turner implements an approach, which integrates a substantial amount of the validation requirements into the commissioning phase of the project.

The benefits realized with this approach are in both cost and schedule. Our approach minimizes duplication of effort, integrates validation requirements into the commissioning phase, and provides for an approach which is sequenced and schedule driven.

Utilizing the ISPE Baseline Guide for Commissioning and Qualification, the following will be determined with the client in order to develop the Commissioning and Validation approach to the project:

- Impact Assessment – Determine the level of Commissioning and Validation as required by system.
  - No Impact – Systems, which will have no impact directly or indirectly on product quality. These systems will be commissioned following Good Engineering Practice only.
  - Indirect Impact – Systems, which are not expected to have any impact on product quality but typically will support a Direct Impact system. These systems will be commissioned following Good Engineering Practice only, but will also have all documentation in place to support an FDA audit if required.
  - Direct Impact – Systems, which are expected to have a direct impact on product quality. These systems are designed and commissioned in line with Good Engineering Practice and, in addition, will be validated for cGMP compliance.

Upon completion of the systems Impact Assessment, a component level assessment will begin on all systems. The purpose of this is to identify those components within the systems that do have product quality impact and therefore would require validation. There are often components



## E.) MANAGERIAL APPROACH

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within commissioned systems only that do require validation because of their impact on product quality.

Turner, working together with the client validation group, will develop a de-tailed Commissioning and Validation approach for the project. This approach will include at a mini mum the following items:

- Develop a detailed Execution Plan identifying all systems, components and equipment to be commissioned and validated.
- Develop an "Impact Assessment" matrix by system identifying the level to which each will be commissioned and validated.
- Develop and integrate into the overall project schedule a detailed com-missioning and validation schedule sequenced by system.
- Begin identifying commissioning and validation teams responsible for the executions of IQ, OQ and PQ protocols.
- Review and incorporate the required validation requirements necessary on all the "commissioning checklists" Turner utilizes. This will allow for the validation IQ and OQ executions to take place during the commissioning phase of the majority of process utilities.

Establish responsibilities for the development of:

- Master Plan
- Protocols
- SOP's
- Final reports

The commissioning plan defines how the commissioning will be implemented including: definition of the project phases; the project team with project dependent roles and responsibilities; equipment/systems/utilities to be commissioned; general procedures for reporting, implementing corrective actions, acceptance and turn-over; training; and long-term monitoring and adjustment.

Commissioning of this facility is a joint effort directed by the project commissioning lead working in concert with the project/commissioning team. It is continuous effort applied across all phases of the project regardless of the type of building space (Offices, Laboratories, Pilot Plant; Fill/Finish; Manufacturing Facility). These project phases will define the type and the level of activities required by the project team, and is listed in general as follows:

## E.) MANAGERIAL APPROACH

|   |  |   |  |                                  |  |
|---|--|---|--|----------------------------------|--|
| <u>Pre-Design</u>                             | Incorporate formal commissioning requirements in program     | Define commissioning process / design intent documentation requirements |  |                                  |  |
| <u>Design</u>                                 | Document basis of design                                     | Design intent report  | Prepare and incorporate commissioning requirements in specifications | Select systems for commissioning | Prepare preliminary Commissioning Plan |
| <u>Bidding</u>                                | Confirm Commissioning Requirements Met in Proposals          | Commissioning Bid Review  | Issue Commissioning Plan   |                                  |  |
| <u>Construction</u>                           | Scops meetings   | Pre-Functional checklist development                                    |  |                                  |  |
| <u>Installation Inspection &amp; Start-Up</u> | Review pre-functional checklists completed by subcontractors | Observe functional performance tests                                    | Conduct short-term diagnostic testing                                | Prepare deficiency reports       | Functional performance test plans      |
| <u>Functional Testing &amp; Acceptance</u>    | Review pre-functional checklists completed by subcontractors | Observe functional performance tests                                    | Conduct short-term diagnostic testing                                | Prepare deficiency reports       | Owner staff training                   |
| <u>Owner Staff Training</u>                   | Field and Classroom training                                 | Observe normal operation  | Observe and review alarm and shut-down conditions                    | Prepare training records         |  |
| <u>Post-Occupancy Evaluation</u>              | Conduct short-term diagnostic testing                        | Implement continuing commissioning process                              | Prepare commissioning report   |                                  |  |

Each of the distinct operational areas of the facility will be commissioned by the commissioning team; however, in order to effectively manage the commissioning costs as well as the building life cycle costs, each area will be addressed individually. In general the sequence of commissioning will begin with the mechanical systems, and continue through, utilities, process utilities and process equipment/systems (where applicable). Again, depending upon the area and status of the mechanical work in the area, commissioning of the architectural work including fit, finishes and cleaning will be addressed from the upper floors down and from the inside – out.

### Start-up and Turnover Procedure

A detailed start-up and turnover procedure will be developed by system. Each system will have a system walk down, pre-start and actual start date identified. Turner will coordinate the required owner/user training of each system. All required documentation would have been assembled and re-viewed with the client prior to actual startup of each system.

## E.) MANAGERIAL APPROACH

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Turner will assure that each supplier of equipment and systems have re-viewed the installation of their system prior to start-up. These suppliers will also be responsible for the owner training.

Turner will track, expedite, and assemble all as-built drawings from contractors. These drawings, along with all other required documents to support the commissioning and validation of the facility, would be assembled into TOP binders by system and turned over to the client when requested.

### Validation

Turner has been deeply involved in a variety of validation activities for many years. The services we offer to our clients can be summarized in three main areas: Partnering to develop the best approach to validation; validation firm selection; and management and execution of the validation phase.

Validation can be performed directly by the Owner; it can be the responsibility of the Owner to contract for this service, similar to the A/E & CM; it can be subcontracted and managed by the Construction Manager; or it can be performed by the CM. Also, Turner has unique experience in integration of commissioning with validation, to help shorten schedule and reduce budget, as described in ISPE guidelines. Together with the Owner, Turner can jointly provide an analysis of each of these options. We can provide our "lessons learned", as we have experience with each of these approaches. As a partner with the Owner, we can help choose the approach that best fits the project.

Turner has worked with all the major validation firms. With this background, we can assist the Owner in identifying appropriate firms (some have strengths in certain areas), pre-qualifying the identified firms, developing the RFP and scope of work (deliverables basis is preferred), developing a short list, interviewing (and performing a value engineering during the interviews, usually reducing the validation cost from 6%-7% to 2%-3% TIC), and final bid comparison / firm selection. Our experience with these firms and in validation provides quality in procurement, obtaining best value for the project and the Owner.

Based on our experience and our staff, Turner has the expertise to execute and/or manage the validation phase. Ensuring that validation drives the construction, we start "day one" at project kickoff, integrate the validation schedule into the construction schedule, attend FATs, provide day to day management of the overall Qualification process, and assist in deviation resolution. Deliverables provided (or assistance in development) include the Validation Master Plan, the Impact Assessment, the IQ/OQ protocols, SOPs, and the Turnover Packages (ETOPs). It is our belief that, when managed properly, validation can be a smooth and trouble free process, bringing the project to a successful conclusion.

- Organize grand opening events and activities.
- Assist the Construction Manager in completing commissioning tasks.
- Oversee CM's who shall Manage closeout including LEED and NYSERDA submissions.
- Coordinate and track LEED and NYSERDA submissions through completion.
- Obtain certificates of occupancy from NYSED.

## E.) MANAGERIAL APPROACH

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- Approve payments to consultants, including release of retainage.
- Provide final budget reports as each project is closed.

### POST CONSTRUCTION PHASE:

- Assist the JSCB in development of the Program-mandated Annual Program Reports to the New York State Comptroller.
- If required, assist the JSCB with settlement of all claims and litigation preparation.

We believe that a comprehensive, continuously monitored Master Schedule is the road map to the successful completion of a project. To control the construction process, the Turner Team first develops a realistic, logical and well-planned master schedule for the program. Once the master schedule is developed, we will advance and implement the master plan by maintaining and updating the schedule for the duration of the program. Turner generates a critical path schedule for the entire program, which becomes more detailed as design documents are developed and input is solicited from all parties. Turner's Master Schedule consists of all activities covering pre-construction, construction and close-out.

By building a master schedule and using our RACS system Turner can develop and plan that works and monitor it accordingly. Identifying the key program milestones for this project are the first priority.

### First 30 Days - Key milestones and critical activities:

- Procurement
  - Finalize Contract with PM
- Finance
  - Review Financial Plan and cash flow requirements
  - Confirm MCA and meet with SED
  - Develop a conceptual budget
- Schedule
  - Define conceptual construction start dates as they will dictate design procurement durations
  - Determine if expedited project reviews can be received from SED
  - Define approval processes with JSCB

### First 60 Days - Key milestones and critical activities:

- Procurement
  - Develop and Issue RFP's for Architects
  - Develop and Issue RFP's for Construction Managers
  - Select Training Provider
- Finance
  - Validate that identified work scopes are aidable
  - Develop cash flow schedule

## E.) MANAGERIAL APPROACH

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- Define construction and incidental budgets
- Schedule
  - Develop Master Schedule and Phasing Plan
  - PLA Administration
  - SEQRA Process

Turner's Team offers all of the services that this project will require. Our familiarity with the SED process is unmatched in the industry. The Team named for your project not only works within the K-12 industry each day of their lives, but they have indepth experience building K-12 facilities, Scheduling, MCA, Building Aid Units as well as SED requirements and forms, that is a key differentiator that your team needs to take into consideration.

The Turner team possesses the flexibility to utilize selected cutting-edge scheduling programs in keeping with the client's preference and project needs. We understand that aid starts 18 months after commissioners approval. Therefore, scheduling is critical in getting projects designed, built and closed out to minimize local share by keeping the timelines on track. The use of both energy incentive and grants will be another componet of the the financial plan.

Maximizing State Aid, starts with understanding the maximum cost allowance for each building(MCA). This process is key in developing a solid plan. Our Team will begin with understanding the District's student enrollment and projected student enrollment. From this we can calculate the building aid units the District will request from SED. Having this information we will meet face to face with SED to discuss the MCA for each building. This meeting is critical for the District to maximize the building aid units for each building and we have found working with SED to develop these works best.

Once the MCA's are established it is imperative that we work within the approved allowances. The project scopes for each building will need to be aligned with the building aid units to ensure maximum aid. As design continues our Team will keep meeting with the designers and monitor the scope of work at each building to stay within the building aid units approved by SED. This information will be key structure, this is the building block for getting in is another consideration.

As the projects move into construction, Change orders can affect the overall aid-ability of the project. This is not lost with our team, we understand the financial model from the beginning of the project and we make sure that you "the owner" understand that some changes may not be aid-able. Our experience gives you the control to understand the impact of decisions upfront and not after the fact. The SED Change Order Process, in our experience, we have found two major communication aspects for ensuring proper execution of change orders. These aspects are defining who will be submitting the forms to the State Education Department for review and tracking the website to see that all change orders are being logged in and approved. Implementation of these processes can be by the Architect or Construction Manager. If these areas are not covered by a qualified party, the aid on the final cost report could be in jeopardy. An important note when submitting the change order justifications, if the proper narrative is not written, approval of the change order may be denied. Turner will work with the team to explain the changes clearly, so there is no confusion.

## E.) MANAGERIAL APPROACH

Describe the proposed CMS web-based program you intend to use to manage all program documents.

Turner would like to encourage making the project as paperless as possible. Procure is a web-based construction management system that provides the JSCB, the District, the AEs, the CMs, and the contractors with access to all meeting minutes, RFIs, submittals, Addenda, Bulletins, etc. This technology has allowed an average submittal turnaround time of 9 calendar days and an average RFI turnaround time of 7 calendar days on recent projects.



Procure provides a "one stop shop" for all project documentation and correspondence by providing a platform for managing budgets and project costs, creating payment applications, administering change orders, tracking schedules, creating and issuing meeting minutes, uploading and approving submittals, creating and answering RFIs, accessing project documents and issuing updated documents, storing testing reports, uploading and storing closeout documentation, punchlisting, and management of other project items.

Team members are able to receive realtime updates as the project progresses. For example, a contractor is able to create an RFI while in the field from their smartphone, laptop, or iPad. Once the RFI is created the CM and/or the AE receives an email from Procure that a new RFI has been created and requires their response. The AE can respond directly to that email with a response, attach an updated drawing, and send it back to the contractor. The AE's email response is saved to Procure with the RFI allowing other project users to see the question and response from the A/E.

Quality Assurance/Quality Control - "Get what you inspect, not what you expect" is a motto that Turner believes in. By utilizing the cutting edge, internet-based QA/QC tracking program Turner and members of the project team can track and share potential work to complete items and punchlist items throughout the duration of the project. Entries can be made by A/E inspectors or the District during their periodic field walks. Team members are assigned permissions and pre-determined responses to issues (i.e. contractors cannot close an item but can mark it "ready to inspect"). This in turn, triggers an action item to be sent via email to the next party responsible (Turner/Arch/Owner) to verify satisfactory completion and close the item.



This is a significant example of how Turner proactively monitors the construction activities of the lowest responsible bidder. By tracking issues and work to complete items early on in the project, overall job quality is increased as deficient or incomplete work is tracked and corrected earlier thus reducing the number of punchlist items. Issues are collected in real-time in the field using an iPad and smart phone as team members assign location, responsible parties, and action required in the field which eliminates the need for double entry and missed items. Supporting documentation such as photos, or contract drawings are permanently attached to issues which are marked up to clearly annotate the issue or document corrected item(s) for verification and closure.

## E.) MANAGERIAL APPROACH

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### CLOSING SUMMARY

Turner is equipped to handle the workload, paperwork, site manpower and has the home office support necessary to exceed your contractual requirements. We have put our best team on this project and know that you will find them to be passionate, committed and knowledgeable. Your interests will be their interests. The quantity of drawing/shop drawing review, reporting, tracking, inspection and documentation can easily overwhelm a firm that has not been through this process in the past. Turner's project management system incorporates pre-orientation meetings, tracks and reviews submittals, collects daily construction reports, tracks on site testing requirements, tracks all open items, writes and documents all RFI's, handles all pay applications and all field orders on our projects and we're confident it will provide all of the features desired by the District during construction administration.

**The Syracuse Schools Construction Program Phase 2 project is an exciting opportunity and we want to make it a success!**

**Appendix D  
RELEASE AND LIEN WAIVER**

WHEREAS, **Turner Construction Company**, hereafter called the "Undersigned," having entered into a written contract or purchase order with the Syracuse Joint Schools Construction Board (hereinafter the "OWNER") for the supplying of materials and/or the furnishing of labor and materials, or the furnishing of labor only for the project known as Syracuse Joint Schools Construction Program Phase 2.

WHEREAS, Undersigned has requisitioned a PARTIAL/FINAL payment from the Owner, pursuant to such contract or purchase order.

NOW, THEREFORE, for good and valuable consideration including the PARTIAL/FINAL payment of \$ \_\_\_\_\_ provided for herein, Undersigned agrees as follows:

Upon receiving payment from the Owner, the payment to which this instrument refers, Undersigned agrees not in any way to file or claim a mechanic's lien or other lien against said project, premises or any part thereof, or on the monies or other consideration due to become due for the Owner for any of the materials heretofore furnished or work or labor performed or furnished by the Undersigned. Undersigned hereby formally and irrevocably releases and waives in writing every and any lien, charges or claim of any nature whatsoever that it has, or as to which it may at any time have been entitled, up to and including the date hereof in connection with any of the materials heretofore furnished or work or labor performed or furnished by the Undersigned, except for any unpaid retained monies unless the payment herein is payment of retainage, which lien waiver shall be for the benefit of the owner of the Project and the Owner if different.

Undersigned further says that all monies due for this work which includes all labor, material, fuel, transportation and equipment, fringe benefits, pension funds, apprentice training programs, employee vacations, welfare funds, and similar funds and payments as well as all applicable sales and used taxes, royalties, commissions, permits, bonds, guarantees, insurances, licenses, or patent fees have been paid in full except as noted below. (If none write "NONE").

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

And that there are no persons in a position to have or file a lien against the above mentioned work and/or the premises on which the same is located on account of any labor or materials furnished to Undersigned or any of the Undersigned's subcontractors or suppliers.

Undersigned agrees that the lien waiver appearing in Paragraph "1" hereof shall be deemed to be in compliance with the Lien Law of the State of New York.

Undersigned agrees that any of its subconsultants, subcontractors or suppliers being entitled to any of the proceeds of the within payments have been paid except as noted below. (If none write "NONE").

\_\_\_\_\_  
\_\_\_\_\_

Furthermore, Undersigned hereby formally and irrevocably releases and waives any rights to make a claim upon any labor and material payment bond issued to the Owner, for this project on account of the labor, services, materials, fixtures or supplies heretofore furnished to this date by the Undersigned for the said project.

Furthermore, Undersigned hereby formally and irrevocably releases the Owner, from all claims of liability to the Undersigned except as noted otherwise herein for anything furnished or performed in connection with, relating to or arising out of the contract or out of the work covered by said contract, including, but not limited to, all claims for extra work, labor or materials, delays or increased costs due to changed conditions, loss of efficiency or productivity, nonsequential work operations, delays, acceleration, suspension of work, and for any prior act, neglect or default on the part of the Owner, or any of its officers, agents or employees in connection therewith, up to and including the date of this waiver, except for any unpaid retained monies.

The Undersigned further acknowledges that neither the aforesaid payment nor acceptances by the Owner, of the work covered by the aforementioned contract and/or purchase order shall in any way or manner operate as, or constitute a release of waiver of the Undersigned's obligations, undertaking or liabilities under said contract or purchase order or in any way affect or limit the same.

This Agreement shall run to the benefit of the Owner, \_\_\_\_\_, its successors and assigns; signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

AMOUNT OF THIS PARTIAL/FINAL PAYMENT:

\_\_\_\_\_

**Turner Construction Company**

\_\_\_\_\_  
Office/Authorized Signature

\_\_\_\_\_  
Printed Name and Title

Worn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

Notary Public

{2574520.2}





**THOMAS P. DiNAPOLI**  
COMPTROLLER

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**  
110 STATE STREET  
ALBANY, NEW YORK 12236

**GABRIEL F. DEYO**  
DEPUTY COMPTROLLER  
DIVISION OF LOCAL GOVERNMENT  
AND SCHOOL ACCOUNTABILITY  
Tel: (518) 474-4037 Fax: (518) 486-6479

January 12, 2018

Honorable Ben Walsh  
Chair, Syracuse Joint Schools Construction Board  
233 East Washington Street  
203 City Hall  
Syracuse, NY 13202

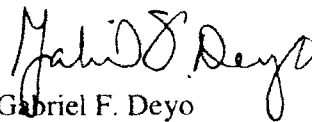
Dear Mayor Walsh,

In accordance with Section 6(2)(a) of Part A-4 of Chapter 58 of the Laws of 2006, as amended (Law), we have completed our review of, and hereby approve the Financial Plan for Phase II of the Syracuse Joint Schools Construction Board (SJSCB) Program. This approval is based upon the assumptions, terms and conditions of the Financial Plan adopted by the SJSCB on January 29, 2015, as further revised and presented to the Office of the State Comptroller (OSC) on August 10, 2017, with additional information subsequently submitted on behalf of the SJSCB. These assumptions include: a) each series of bonds will be issued within 90 days of the dates specified in the revised Financial Plan and b) the SJSCB will adhere to all New York State Education Department requirements such that State Building Aid reimbursement will be timely and at anticipated levels. Please note that any material change in the Financial Plan or the additional information submitted in connection with the Plan as presented to OSC, will require further review and approval by this Office.

As provided in the Law, our approval is limited to the components of the Plan for Phase II specifically set forth in section 6(2)(a). We express no opinion and grant no approval as to any other aspect of Phase II. Further, we express no opinion on the legality or validity of any bonds proposed to be issued for this project, or on any other matter.

Please contact us if we can be of further assistance.

Sincerely,

  
Gabriel F. Deyo  
Deputy Comptroller

cc: Suzanne Slack, Chief Financial Officer  
Syracuse City School District  
Jaime Alicea, Superintendent of Schools  
Syracuse City School District

**CERTIFICATE OF DETERMINATION  
BY THE CHAIR OF THE JOINT SCHOOLS CONSTRUCTION BOARD  
AS TO FINANCING COST AND INTEREST RATE**

I, Benjamin R. Walsh, Mayor of the City of Syracuse, New York on behalf of the Joint Schools Construction Board (hereinafter called the "JSCB"), **HEREBY CERTIFY** that, pursuant to the powers and duties delegated to me, as the Chair of the JSCB and in accordance with Chapter 58 Pt. A-4 of the 2006 Laws of the State of New York, as amended (the "Syracuse Schools Act") and subject to the limitations prescribed therein, I have made the following determinations:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act to compare financing through the Syracuse Industrial Development Agency ("SIDA") with financing available through the State of New York Municipal Bond Bank Agency ("MBBA"), I have caused such a comparison to be made as to the interest rate for the financing of the Syracuse Schools Reconstruction Project through the issuance by SIDA of its \$66,570,000 aggregate principal amount of School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A ("Series 2018A Bonds") against the interest rate that would have been applicable to a like purpose, bond structure, method of sale, security and amount of bond issuance by the MBBA.

2. Based on such comparison, I have determined that the financing mechanism utilized by SIDA in the issuance of the Series 2018A Bonds for the Syracuse Schools Reconstruction Project results in the lowest cost to the state and city taxpayers.


3. The relevant information, as referenced above, in our possession was transmitted to a duly authorized officer of the MBBA.

4. The cost information and other financial information contained in Exhibit "A" (Certificate of Public Resources Advisory Group) annexed hereto with attached Schedules is sufficient to conclude that the interest rate related to the issuance of the Series 2018A Bonds through the SIDA would not be greater than the interest rate applicable had the Series 2018A Bonds been issued by the MBBA.

5. I attach hereto as Exhibit "B" a form of the Certificate of the Chief Operating Officer of the MBBA, stating that such Chief Operating Officer received all requested and required information from the City School District of the City of Syracuse, the City, SIDA and the Joint Schools Construction Board of the City of Syracuse and determined that the interest rate on March 1, 2018 that would have been applicable to a like purpose, bond structure, method of sale, security and amount of bond issuance by the MBBA would be approximately 3.13% on a true interest cost basis.

6. The Record of the Proceedings in this matter, with sufficient information to make the necessary determinations required by the Syracuse Schools Act, is annexed hereto collectively in Exhibits "A" and "B" as fully described above in the preceding paragraphs.

**IN WITNESS WHEREOF**, I have hereunto set my signature and the official seal of the City this 2nd day of March, 2018.

  
\_\_\_\_\_  
Benjamin R. Walsh, Mayor  
Chair of the Joint Schools Construction Board

(SEAL)

[Signature Page to Certificate of Determination – JSCB Chair]

**EXHIBIT A**

**CERTIFICATE  
BY PUBLIC RESOURCES ADVISORY GROUP  
AS TO INTEREST RATE, TRUE INTEREST COST AND FISCAL ANALYSIS**

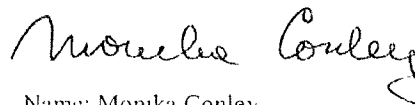
Attached Next Page.

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67.265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

Exhibit A

\$67,265,000

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%

**EXHIBIT B**

**FORM OF CERTIFICATE OF THE CHIEF OPERATING OFFICER OF THE STATE  
OF NEW YORK  
MUNICIPAL BOND BANK AGENCY**

Attached Next Page.

**CERTIFICATE OF DETERMINATION OF THE CHIEF OPERATING OFFICER OF  
THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY**

I, Elizabeth Mallow, Chief Operating Officer of the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY DETERMINE, pursuant to the powers and duties delegated to me and in accordance with the applicable provisions set forth in Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, as follows:

1. Pursuant to the statutory requirement set forth in the Syracuse Schools Act, as of February 23, 2018, I have received all the information required by the MBBA under the Syracuse Schools Act from the City of Syracuse (the "City"), the City School District of the City of Syracuse (the "School District"), the Syracuse Industrial Development Agency (the "SIDA") and the Joint Schools Construction Board of the City of Syracuse (the "JSCB"); and have accordingly determined that the interest rate on March 1, 2018 that would have been applicable to a bond issue sold by the MBBA of similar purpose, structure, method of sale, security and amount to the SIDA's School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A would be 3.13% on a true interest cost basis, and am so certifying to the Commissioner of the New York State Department of Education.

2. In making these financial determinations, I am relying upon the Certificate made by an authorized officer of Public Resources Advisory Group, financial advisor to the MBBA, appended hereto as **Exhibit A**.

3. A copy of the information received from the School District, the City, the SIDA and the JSCB in compliance with the Syracuse Schools Act is collectively annexed hereto as **Exhibit B**.

[Signature Page to Certificate of Determination - Chief Financial Officer]



**IN WITNESS WHEREOF**, I have hereunto set my signature this 2nd day of March,  
2018.

A handwritten signature in black ink, appearing to read 'EM', written over a horizontal line.

**Elizabeth Mallow**  
**Chief Operating Officer**  
**State of New York Municipal Bond Bank Agency**

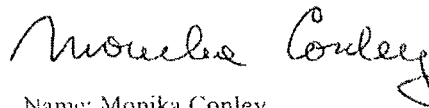
**EXHIBIT "A"**

March 1, 2018

CERTIFICATE OF PUBLIC RESOURCES ADVISORY GROUP

I, Monika Conley, Senior Managing Director at Public Resources Advisory Group (hereinafter called "PRAG"), financial advisor to the State of New York Municipal Bond Bank Agency (hereinafter called the "MBBA"), HEREBY CERTIFY that, in my role as financial advisor to the MBBA and in accordance with Chapter 58-A Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"), and subject to the limitations prescribed therein, I have reviewed pertinent documentation and analyzed certain financial and related information and state the following:

1. PRAG is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board and is qualified to act as financial advisor to the MBBA, and I, Monika Conley, am a duly authorized signatory and make this certification in such capacity.
2. Pursuant to the statutory requirements set forth in the Syracuse Schools Act that the Joint Schools Construction Board, the City School District of the City of Syracuse, and the City of Syracuse compare financing available through the Syracuse Industrial Development Agency ("SIDA") with financing available through the MBBA, based on financial information in **Exhibit A**, based on my knowledge and experience and conversations with Raymond James & Associates, Inc. (the "**Underwriter**"), and assuming the same bond structure and method of sale as for the proposed SIDA's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Bonds**"). I am of the opinion that, on March 1, 2018 the true interest cost for a bond issue of like purpose, structure, method of sale, security, and amount if issued by the MBBA would be approximately 3.13%.
3. Based on my examination, my knowledge and experience, and conversations with, the Underwriter, I am of the opinion that the identity of the issuer of the proposed Bonds would have no material bearing on the marketing of the Bonds.
4. I attach hereto as **Exhibit A** certain financial information on which I have based the opinions set forth herein.



Name: Monika Conley  
Title: Senior Managing Director  
Public Resources Advisory Group

Exhibit A

\$67,265,000

**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A**

| <u>Maturity Date</u> | <u>Amount</u> | <u>Coupon</u> | <u>Yield<sup>(1)</sup></u> | <u>MMD Rate<sup>(2)</sup></u> | <u>Spread (bp)</u> |
|----------------------|---------------|---------------|----------------------------|-------------------------------|--------------------|
| 5/1/2020             | 3,090,000     | 5.00%         | 1.50%                      | 1.52%                         | (2)                |
| 5/1/2021             | 3,250,000     | 5.00%         | 1.69%                      | 1.67%                         | 2                  |
| 5/1/2022             | 3,415,000     | 5.00%         | 1.89%                      | 1.82%                         | 7                  |
| 5/1/2023             | 3,590,000     | 5.00%         | 2.01%                      | 1.97%                         | 4                  |
| 5/1/2024             | 3,775,000     | 5.00%         | 2.09%                      | 2.07%                         | 2                  |
| 5/1/2025             | 3,970,000     | 5.00%         | 2.24%                      | 2.18%                         | 6                  |
| 5/1/2026             | 4,170,000     | 5.00%         | 2.33%                      | 2.29%                         | 4                  |
| 5/1/2027             | 4,385,000     | 5.00%         | 2.47% <sup>(3)</sup>       | 2.38%                         | 9                  |
| 5/1/2028             | 4,610,000     | 5.00%         | 2.54% <sup>(3)</sup>       | 2.45%                         | 9                  |
| 5/1/2029             | 4,845,000     | 5.00%         | 2.65% <sup>(3)</sup>       | 2.52%                         | 13                 |
| 5/1/2030             | 5,095,000     | 5.00%         | 2.74% <sup>(3)</sup>       | 2.58%                         | 16                 |
| 5/1/2031             | 5,355,000     | 5.00%         | 2.79% <sup>(3)</sup>       | 2.63%                         | 16                 |
| 5/1/2032             | 5,630,000     | 5.00%         | 2.82% <sup>(3)</sup>       | 2.67%                         | 15                 |
| 5/1/2033             | 5,920,000     | 5.00%         | 2.87% <sup>(3)</sup>       | 2.72%                         | 15                 |
| 5/1/2034             | 6,165,000     | 3.25%         | 3.35% <sup>(3)</sup>       | 2.77%                         | 58                 |

(1) Yield as of the pricing date of March 1, 2018

(2) May MMD Interpolated scale for March 1, 2018

(3) Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%

**EXHIBIT "B"**

## TABLE OF CONTENTS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Report                          | Page |
|---------------------------------|------|
| <b>Phase II - Tranche 1A</b>    |      |
| Sources and Uses of Funds       | 1    |
| Spread to Municipal Grade Yield | 2    |
| Bond Pricing                    | 3    |
| Bond Debt Service               | 4    |
| Net Debt Service                | 6    |
| Bond Summary Statistics         | 8    |
| Proof of Arbitrage Yield        | 9    |
| Average Takedown                | 11   |
| Underwriter's Discount          | 12   |
| Cost of Issuance                | 13   |
| <b>Bellevue</b>                 |      |
| Sources and Uses of Funds       | 14   |
| Bond Pricing                    | 15   |
| Bond Debt Service               | 16   |
| Net Debt Service                | 17   |
| Bond Summary Statistics         | 18   |
| <b>Ed Smith</b>                 |      |
| Sources and Uses of Funds       | 19   |
| Bond Pricing                    | 20   |
| Bond Debt Service               | 21   |
| Net Debt Service                | 22   |
| Bond Summary Statistics         | 23   |
| <b>Frazer</b>                   |      |
| Sources and Uses of Funds       | 24   |
| Bond Pricing                    | 25   |
| Bond Debt Service               | 26   |
| Net Debt Service                | 27   |
| Bond Summary Statistics         | 28   |
| <b>Grant</b>                    |      |
| Sources and Uses of Funds       | 29   |
| Bond Pricing                    | 30   |
| Bond Debt Service               | 31   |
| Net Debt Service                | 32   |
| Bond Summary Statistics         | 33   |

## SOURCES AND USES OF FUNDS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Sources  | Bellevue             | Ed Smith             | Frazer              | Grant                | Total                |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|
| <b>Bond Proceeds</b>                           |                      |                      |                     |                      |                      |
| Par Amount                                     | 18,830,000.00        | 19,800,000.00        | 6,215,000.00        | 22,420,000.00        | 67,265,000.00        |
| Net Premium                                    | 2,665,170.45         | 2,808,185.95         | 880,862.75          | 3,178,289.50         | 9,532,508.65         |
|  | <u>21,495,170.45</u> | <u>22,608,185.95</u> | <u>7,095,862.75</u> | <u>25,598,289.50</u> | <u>76,797,508.65</u> |
| <b>Other Sources of Funds</b>                  |                      |                      |                     |                      |                      |
| SCSD Contribution for BAN Interest Repayment   | 17,778.55            | 18,688.15            | 5,871.06            | 21,168.88            | 63,506.64            |
| SCSD Contribution for BAN Principal Repayment  | 145,572.92           | 153,020.83           | 48,072.92           | 173,333.33           | 520,000.00           |
|  | <u>163,351.47</u>    | <u>171,708.98</u>    | <u>53,943.98</u>    | <u>194,502.21</u>    | <u>583,506.64</u>    |
|  | <u>21,658,521.92</u> | <u>22,779,894.93</u> | <u>7,149,806.73</u> | <u>25,792,791.71</u> | <u>77,381,015.29</u> |
| <b>Uses</b>                                    |                      |                      |                     |                      |                      |
| <b>Project Fund Deposits</b>                   |                      |                      |                     |                      |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494.12         | 2,182,733.36         | 685,725.79          | 2,472,476.73         | 7,417,430.00         |
| Deposit to Series 2018A Project Account        | 17,912,617.54        | 18,841,522.56        | 5,913,063.35        | 21,331,894.06        | 63,999,097.51        |
|  | <u>19,989,111.66</u> | <u>21,024,255.92</u> | <u>6,598,789.14</u> | <u>23,804,370.79</u> | <u>71,416,527.51</u> |
| <b>Other Fund Deposits</b>                     |                      |                      |                     |                      |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778.55            | 18,688.15            | 5,871.06            | 21,168.88            | 63,506.64            |
| BAN Principal Repayment from SCSD Contribution | 145,572.92           | 153,020.83           | 48,072.92           | 173,333.33           | 520,000.00           |
| Capitalized Interest Fund (through 5/1/2019)   | 1,027,461.94         | 1,080,678.96         | 339,108.68          | 1,224,075.90         | 3,671,325.48         |
|  | <u>1,190,813.41</u>  | <u>1,252,387.94</u>  | <u>393,052.66</u>   | <u>1,418,578.11</u>  | <u>4,254,832.12</u>  |
| <b>Delivery Date Expenses</b>                  |                      |                      |                     |                      |                      |
| Cost of Issuance                               | 116,733.98           | 122,747.35           | 38,529.04           | 138,989.63           | 417,000.00           |
| Underwriter's Discount                         | 110,858.45           | 116,569.17           | 36,589.77           | 131,993.95           | 396,011.34           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854.42           | 164,934.55           | 51,771.12           | 186,759.23           | 560,319.32           |
| SIDA Fee (\$5 per Bond)                        | 94,150.00            | 99,000.00            | 31,075.00           | 112,100.00           | 336,325.00           |
|  | <u>478,596.85</u>    | <u>503,251.07</u>    | <u>157,964.93</u>   | <u>569,842.81</u>    | <u>1,709,655.66</u>  |
|  | <u>21,658,521.92</u> | <u>22,779,894.93</u> | <u>7,149,806.73</u> | <u>25,792,791.71</u> | <u>77,381,015.29</u> |

SPREAD TO MUNICIPAL GRADE YIELD  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Component   | Maturity Date | Rate   | Yield  | May Interpolated MMD* | Credit Spread |
|-------------|---------------|--------|--------|-----------------------|---------------|
| Serial Bond | 05/01/2020    | 5 000% | 1.500% | 1 540%                | -0 040%       |
|             | 05/01/2021    | 5 000% | 1 690% | 1 690%                |               |
|             | 05/01/2022    | 5 000% | 1 890% | 1 840%                | 0 050%        |
|             | 05/01/2023    | 5 000% | 2 010% | 1.990%                | 0 020%        |
|             | 05/01/2024    | 5 000% | 2 090% | 2 100%                | -0 010%       |
|             | 05/01/2025    | 5 000% | 2 240% | 2 220%                | 0 020%        |
|             | 05/01/2026    | 5 000% | 2 330% | 2 330%                |               |
|             | 05/01/2027    | 5 000% | 2.470% | 2 420%                | 0 050%        |
|             | 05/01/2028    | 5 000% | 2 540% | 2 490%                | 0 050%        |
|             | 05/01/2029    | 5 000% | 2 650% | 2 560%                | 0.090%        |
|             | 05/01/2030    | 5 000% | 2 740% | 2 620%                | 0 120%        |
|             | 05/01/2031    | 5 000% | 2 790% | 2 670%                | 0 120%        |
|             | 05/01/2032    | 5 000% | 2.820% | 2 710%                | 0 110%        |
|             | 05/01/2033    | 5 000% | 2 870% | 2 760%                | 0 110%        |
|             | 05/01/2034    | 3 250% | 3 350% | 2 810%                | 0.540%        |

Note \* MMD as of Close of Business on February 28, 2018



BOND PRICING

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 3,090,000  | 5 000% | 1 500% | 107 300   |                   |            |            | 225,570 00          | 2 750    |
|                | 05/01/2021    | 871683CV8 | 3,250,000  | 5 000% | 1 690% | 110.040   |                   |            |            | 326,300 00          | 2 750    |
|                | 05/01/2022    | 871683CW6 | 3,415,000  | 5 000% | 1 890% | 112 291   |                   |            |            | 419,737 65          | 2 750    |
|                | 05/01/2023    | 871683CX4 | 3,590,000  | 5 000% | 2 010% | 114 496   |                   |            |            | 520,406 40          | 2 750    |
|                | 05/01/2024    | 871683CY2 | 3,775,000  | 5 000% | 2 090% | 116 653   |                   |            |            | 628,650 75          | 2 750    |
|                | 05/01/2025    | 871683CZ9 | 3,970,000  | 5 000% | 2 240% | 118 086   |                   |            |            | 718,014 20          | 2 750    |
|                | 05/01/2026    | 871683DA3 | 4,170,000  | 5 000% | 2 330% | 119 663   |                   |            |            | 819,947 10          | 2 750    |
|                | 05/01/2027    | 871683DB1 | 4,385,000  | 5 000% | 2 470% | 118 524 C | 2 697%            | 05/01/2026 | 100 000    | 812,277 40          | 2 750    |
|                | 05/01/2028    | 871683DC9 | 4,610,000  | 5 000% | 2 540% | 117 959 C | 2 937%            | 05/01/2026 | 100 000    | 827,909.90          | 2 750    |
|                | 05/01/2029    | 871683DD7 | 4,845,000  | 5 000% | 2 650% | 117 079 C | 3 167%            | 05/01/2026 | 100 000    | 827,477 55          | 2 750    |
|                | 05/01/2030    | 871683DE5 | 5,095,000  | 5 000% | 2.740% | 116 364 C | 3.347%            | 05/01/2026 | 100 000    | 833,745.80          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 5,355,000  | 5.000% | 2 790% | 115 969 C | 3 474%            | 05/01/2026 | 100 000    | 855,139.95          | 2 750    |
|                | 05/01/2032    | 871683DG0 | 5,630,000  | 5 000% | 2.820% | 115 732 C | 3.572%            | 05/01/2026 | 100.000    | 885,711 60          | 2 750    |
|                | 05/01/2033    | 871683DH8 | 5,920,000  | 5 000% | 2.870% | 115 340 C | 3 669%            | 05/01/2026 | 100 000    | 908,128 00          | 2 750    |
|                | 05/01/2034    | 871683DJ4 | 6,165,000  | 3 250% | 3 350% | 98 759    |                   |            |            | -76,507 65          | 2 750    |
|                |               |           | 67,265,000 |        |        |           |                   |            |            | 9,532,508 65        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 67,265,000 00 |             |
| Premium                | 9,532,508 65  |             |
| Production             | 76,797,508 65 | 114 171573% |
| Underwriter's Discount | -396,011 34   | -0.588733%  |
| Purchase Price         | 76,401,497.31 | 113.582840% |
| Accrued Interest       |               |             |
| Net Proceeds           | 76,401,497 31 |             |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  |
|---------------|------------|--------|---------------|---------------|
| 11/01/2018    |            |        | 2,043,644 23  | 2,043,644 23  |
| 11/01/2019    |            |        | 3,255,362 50  | 3,255,362 50  |
| 11/01/2020    | 3,090,000  | 5.000% | 3,178,112 50  | 6,268,112 50  |
| 11/01/2021    | 3,250,000  | 5.000% | 3,019,612 50  | 6,269,612 50  |
| 11/01/2022    | 3,415,000  | 5 000% | 2,852,987 50  | 6,267,987 50  |
| 11/01/2023    | 3,590,000  | 5 000% | 2,677,862 50  | 6,267,862 50  |
| 11/01/2024    | 3,775,000  | 5.000% | 2,493,737 50  | 6,268,737 50  |
| 11/01/2025    | 3,970,000  | 5 000% | 2,300,112 50  | 6,270,112 50  |
| 11/01/2026    | 4,170,000  | 5 000% | 2,096,612 50  | 6,266,612 50  |
| 11/01/2027    | 4,385,000  | 5 000% | 1,882,737 50  | 6,267,737 50  |
| 11/01/2028    | 4,610,000  | 5 000% | 1,657,862 50  | 6,267,862 50  |
| 11/01/2029    | 4,845,000  | 5 000% | 1,421,487 50  | 6,266,487 50  |
| 11/01/2030    | 5,095,000  | 5 000% | 1,172,987 50  | 6,267,987 50  |
| 11/01/2031    | 5,355,000  | 5 000% | 911,737 50    | 6,266,737 50  |
| 11/01/2032    | 5,630,000  | 5 000% | 637,112 50    | 6,267,112 50  |
| 11/01/2033    | 5,920,000  | 5 000% | 348,362 50    | 6,268,362 50  |
| 11/01/2034    | 6,165,000  | 3 250% | 100,181 25    | 6,265,181 25  |
|               | 67,265,000 |        | 32,050,512 98 | 99,315,512 98 |

## BOND DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date            03/15/2018  
 Delivery Date        03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 2,043,644.23  | 2,043,644.23  | 2,043,644.23        |
| 05/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  |                     |
| 11/01/2019    |            |        | 1,627,681.25  | 1,627,681.25  | 3,255,362.50        |
| 05/01/2020    | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25  |                     |
| 11/01/2020    |            |        | 1,550,431.25  | 1,550,431.25  | 6,268,112.50        |
| 05/01/2021    | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25  |                     |
| 11/01/2021    |            |        | 1,469,181.25  | 1,469,181.25  | 6,269,612.50        |
| 05/01/2022    | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25  |                     |
| 11/01/2022    |            |        | 1,383,806.25  | 1,383,806.25  | 6,267,987.50        |
| 05/01/2023    | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25  |                     |
| 11/01/2023    |            |        | 1,294,056.25  | 1,294,056.25  | 6,267,862.50        |
| 05/01/2024    | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25  |                     |
| 11/01/2024    |            |        | 1,199,681.25  | 1,199,681.25  | 6,268,737.50        |
| 05/01/2025    | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25  |                     |
| 11/01/2025    |            |        | 1,100,431.25  | 1,100,431.25  | 6,270,112.50        |
| 05/01/2026    | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25  |                     |
| 11/01/2026    |            |        | 996,181.25    | 996,181.25    | 6,266,612.50        |
| 05/01/2027    | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25  |                     |
| 11/01/2027    |            |        | 886,556.25    | 886,556.25    | 6,267,737.50        |
| 05/01/2028    | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25  |                     |
| 11/01/2028    |            |        | 771,306.25    | 771,306.25    | 6,267,862.50        |
| 05/01/2029    | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25  |                     |
| 11/01/2029    |            |        | 650,181.25    | 650,181.25    | 6,266,487.50        |
| 05/01/2030    | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25  |                     |
| 11/01/2030    |            |        | 522,806.25    | 522,806.25    | 6,267,987.50        |
| 05/01/2031    | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25  |                     |
| 11/01/2031    |            |        | 388,931.25    | 388,931.25    | 6,266,737.50        |
| 05/01/2032    | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25  |                     |
| 11/01/2032    |            |        | 248,181.25    | 248,181.25    | 6,267,112.50        |
| 05/01/2033    | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25  |                     |
| 11/01/2033    |            |        | 100,181.25    | 100,181.25    | 6,268,362.50        |
| 05/01/2034    | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25  |                     |
| 11/01/2034    |            |        |               |               | 6,265,181.25        |
|               | 67,265,000 |        | 32,050,512.98 | 99,315,512.98 | 99,315,512.98       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Period<br>Ending | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service |
|------------------|------------|--------|---------------|-----------------------|---|---------------------|
| 11/01/2018       |            |        | 2,043,644 23  | 2,043,644 23          | 2,043,644 23  |                     |
| 11/01/2019       |            |        | 3,255,362 50  | 3,255,362 50          | 1,627,681 25  | 1,627,681 25        |
| 11/01/2020       | 3,090,000  | 5 000% | 3,178,112 50  | 6,268,112 50          |   | 6,268,112 50        |
| 11/01/2021       | 3,250,000  | 5 000% | 3,019,612 50  | 6,269,612 50          |   | 6,269,612 50        |
| 11/01/2022       | 3,415,000  | 5 000% | 2,852,987 50  | 6,267,987 50          |   | 6,267,987 50        |
| 11/01/2023       | 3,590,000  | 5 000% | 2,677,862 50  | 6,267,862 50          |   | 6,267,862 50        |
| 11/01/2024       | 3,775,000  | 5 000% | 2,493,737 50  | 6,268,737 50          |   | 6,268,737 50        |
| 11/01/2025       | 3,970,000  | 5 000% | 2,300,112 50  | 6,270,112 50          |   | 6,270,112 50        |
| 11/01/2026       | 4,170,000  | 5 000% | 2,096,612 50  | 6,266,612 50          |   | 6,266,612 50        |
| 11/01/2027       | 4,385,000  | 5.000% | 1,882,737 50  | 6,267,737 50          |   | 6,267,737 50        |
| 11/01/2028       | 4,610,000  | 5 000% | 1,657,862 50  | 6,267,862 50          |   | 6,267,862 50        |
| 11/01/2029       | 4,845,000  | 5 000% | 1,421,487 50  | 6,266,487 50          |   | 6,266,487 50        |
| 11/01/2030       | 5,095,000  | 5 000% | 1,172,987 50  | 6,267,987 50          |   | 6,267,987 50        |
| 11/01/2031       | 5,355,000  | 5 000% | 911,737 50    | 6,266,737 50          |   | 6,266,737 50        |
| 11/01/2032       | 5,630,000  | 5 000% | 637,112 50    | 6,267,112 50          |   | 6,267,112 50        |
| 11/01/2033       | 5,920,000  | 5 000% | 348,362 50    | 6,268,362 50          |   | 6,268,362 50        |
| 11/01/2034       | 6,165,000  | 3 250% | 100,181 25    | 6,265,181 25          |   | 6,265,181 25        |
|                  | 67,265,000 |        | 32,050,512 98 | 99,315,512 98         | 3,671,325 48  | 95,644,187 50       |

## NET DEBT SERVICE

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 2,043,644.23  | 2,043,644.23          | 2,043,644.23  |                     |                   |
| 05/01/2019 |            |        | 1,627,681.25  | 1,627,681.25          | 1,627,681.25  |                     |                   |
| 11/01/2019 |            |        | 1,627,681.25  | 1,627,681.25          |   | 1,627,681.25        | 1,627,681.25      |
| 05/01/2020 | 3,090,000  | 5.000% | 1,627,681.25  | 4,717,681.25          |   | 4,717,681.25        |                   |
| 11/01/2020 |            |        | 1,550,431.25  | 1,550,431.25          |   | 1,550,431.25        | 6,268,112.50      |
| 05/01/2021 | 3,250,000  | 5.000% | 1,550,431.25  | 4,800,431.25          |   | 4,800,431.25        |                   |
| 11/01/2021 |            |        | 1,469,181.25  | 1,469,181.25          |   | 1,469,181.25        | 6,269,612.50      |
| 05/01/2022 | 3,415,000  | 5.000% | 1,469,181.25  | 4,884,181.25          |   | 4,884,181.25        |                   |
| 11/01/2022 |            |        | 1,383,806.25  | 1,383,806.25          |   | 1,383,806.25        | 6,267,987.50      |
| 05/01/2023 | 3,590,000  | 5.000% | 1,383,806.25  | 4,973,806.25          |   | 4,973,806.25        |                   |
| 11/01/2023 |            |        | 1,294,056.25  | 1,294,056.25          |   | 1,294,056.25        | 6,267,862.50      |
| 05/01/2024 | 3,775,000  | 5.000% | 1,294,056.25  | 5,069,056.25          |   | 5,069,056.25        |                   |
| 11/01/2024 |            |        | 1,199,681.25  | 1,199,681.25          |   | 1,199,681.25        | 6,268,737.50      |
| 05/01/2025 | 3,970,000  | 5.000% | 1,199,681.25  | 5,169,681.25          |   | 5,169,681.25        |                   |
| 11/01/2025 |            |        | 1,100,431.25  | 1,100,431.25          |   | 1,100,431.25        | 6,270,112.50      |
| 05/01/2026 | 4,170,000  | 5.000% | 1,100,431.25  | 5,270,431.25          |   | 5,270,431.25        |                   |
| 11/01/2026 |            |        | 996,181.25    | 996,181.25            |   | 996,181.25          | 6,266,612.50      |
| 05/01/2027 | 4,385,000  | 5.000% | 996,181.25    | 5,381,181.25          |   | 5,381,181.25        |                   |
| 11/01/2027 |            |        | 886,556.25    | 886,556.25            |   | 886,556.25          | 6,267,737.50      |
| 05/01/2028 | 4,610,000  | 5.000% | 886,556.25    | 5,496,556.25          |   | 5,496,556.25        |                   |
| 11/01/2028 |            |        | 771,306.25    | 771,306.25            |   | 771,306.25          | 6,267,862.50      |
| 05/01/2029 | 4,845,000  | 5.000% | 771,306.25    | 5,616,306.25          |   | 5,616,306.25        |                   |
| 11/01/2029 |            |        | 650,181.25    | 650,181.25            |   | 650,181.25          | 6,266,487.50      |
| 05/01/2030 | 5,095,000  | 5.000% | 650,181.25    | 5,745,181.25          |   | 5,745,181.25        |                   |
| 11/01/2030 |            |        | 522,806.25    | 522,806.25            |   | 522,806.25          | 6,267,987.50      |
| 05/01/2031 | 5,355,000  | 5.000% | 522,806.25    | 5,877,806.25          |   | 5,877,806.25        |                   |
| 11/01/2031 |            |        | 388,931.25    | 388,931.25            |   | 388,931.25          | 6,266,737.50      |
| 05/01/2032 | 5,630,000  | 5.000% | 388,931.25    | 6,018,931.25          |   | 6,018,931.25        |                   |
| 11/01/2032 |            |        | 248,181.25    | 248,181.25            |   | 248,181.25          | 6,267,112.50      |
| 05/01/2033 | 5,920,000  | 5.000% | 248,181.25    | 6,168,181.25          |   | 6,168,181.25        |                   |
| 11/01/2033 |            |        | 100,181.25    | 100,181.25            |   | 100,181.25          | 6,268,362.50      |
| 05/01/2034 | 6,165,000  | 3.250% | 100,181.25    | 6,265,181.25          |   | 6,265,181.25        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 6,265,181.25      |
|            | 67,265,000 |        | 32,050,512.98 | 99,315,512.98         | 3,671,325.48  | 95,644,187.50       | 95,644,187.50     |

BOND SUMMARY STATISTICS

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132024%     |
| Net Interest Cost (NIC)           | 3.390600%     |
| All-In TIC                        | 3.349673%     |
| Average Coupon                    | 4.742533%     |
| Average Life (years)              | 10.047        |
| Weighted Average Maturity (years) | 10.010        |
| Duration of Issue (years)         | 8.120         |
| Par Amount                        | 67,265,000.00 |
| Bond Proceeds                     | 76,797,508.65 |
| Total Interest                    | 32,050,512.98 |
| Net Interest                      | 22,914,015.67 |
| Total Debt Service                | 99,315,512.98 |
| Maximum Annual Debt Service       | 6,270,112.50  |
| Average Annual Debt Service       | 6,158,040.76  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.582840    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 67,265,000.00 | 114.172 | 4.743%         | 10.047       | 49,660.30         |
|                | 67,265,000.00 |         |                | 10.047       | 49,660.30         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 67,265,000.00 | 67,265,000.00 | 67,265,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 9,532,508.65  | 9,532,508.65  | 9,532,508.65    |
| - Underwriter's Discount   | -396,011.34   | -396,011.34   |                 |
| - Cost of Issuance Expense |               | -417,000.00   |                 |
| - Other Amounts            |               | -896,644.32   |                 |
| Target Value               | 76,401,497.31 | 75,087,852.99 | 76,797,508.65   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132024%     | 3.349673%     | 2.644747%       |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

| Date       | Debt Service  | Total         | PV<br>Factor | Present Value<br>to 03/15/2018<br>@ 2.6447472168% |
|------------|---------------|---------------|--------------|---|
| 11/01/2018 | 2,043,644.23  | 2,043,644.23  | 0.983640971  | 2,010,212.19                                      |
| 05/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.970803324  | 1,580,158.37                                      |
| 11/01/2019 | 1,627,681.25  | 1,627,681.25  | 0.958133223  | 1,559,535.48                                      |
| 05/01/2020 | 4,717,681.25  | 4,717,681.25  | 0.945628481  | 4,461,173.76                                      |
| 11/01/2020 | 1,550,431.25  | 1,550,431.25  | 0.933286941  | 1,446,997.24                                      |
| 05/01/2021 | 4,800,431.25  | 4,800,431.25  | 0.921106472  | 4,421,708.29                                      |
| 11/01/2021 | 1,469,181.25  | 1,469,181.25  | 0.909084972  | 1,335,610.60                                      |
| 05/01/2022 | 4,884,181.25  | 4,884,181.25  | 0.897220367  | 4,382,186.89                                      |
| 11/01/2022 | 1,383,806.25  | 1,383,806.25  | 0.885510608  | 1,225,375.11                                      |
| 05/01/2023 | 4,973,806.25  | 4,973,806.25  | 0.873953676  | 4,346,876.25                                      |
| 11/01/2023 | 1,294,056.25  | 1,294,056.25  | 0.862547574  | 1,116,185.08                                      |
| 05/01/2024 | 5,069,056.25  | 5,069,056.25  | 0.851290336  | 4,315,238.60                                      |
| 11/01/2024 | 1,199,681.25  | 1,199,681.25  | 0.840180017  | 1,007,948.21                                      |
| 05/01/2025 | 5,169,681.25  | 5,169,681.25  | 0.829214700  | 4,286,775.69                                      |
| 11/01/2025 | 1,100,431.25  | 1,100,431.25  | 0.818392494  | 900,584.68  |
| 05/01/2026 | 41,110,431.25 | 41,110,431.25 | 0.807711530  | 33,205,369.32                                     |
| 11/01/2026 | 100,181.25    | 100,181.25    | 0.797169965  | 79,861.48   |
| 05/01/2027 | 100,181.25    | 100,181.25    | 0.786765979  | 78,819.20   |
| 11/01/2027 | 100,181.25    | 100,181.25    | 0.776497777  | 77,790.52   |
| 05/01/2028 | 100,181.25    | 100,181.25    | 0.766363588  | 76,775.26   |
| 11/01/2028 | 100,181.25    | 100,181.25    | 0.756361661  | 75,773.26   |
| 05/01/2029 | 100,181.25    | 100,181.25    | 0.746490270  | 74,784.33   |
| 11/01/2029 | 100,181.25    | 100,181.25    | 0.736747713  | 73,808.31   |
| 05/01/2030 | 100,181.25    | 100,181.25    | 0.727132307  | 72,845.02   |
| 11/01/2030 | 100,181.25    | 100,181.25    | 0.717642394  | 71,894.31   |
| 05/01/2031 | 100,181.25    | 100,181.25    | 0.708276334  | 70,956.01   |
| 11/01/2031 | 100,181.25    | 100,181.25    | 0.699032513  | 70,029.95   |
| 05/01/2032 | 100,181.25    | 100,181.25    | 0.689909334  | 69,115.98   |
| 11/01/2032 | 100,181.25    | 100,181.25    | 0.680905223  | 68,213.94   |
| 05/01/2033 | 100,181.25    | 100,181.25    | 0.672018626  | 67,323.67   |
| 11/01/2033 | 100,181.25    | 100,181.25    | 0.663248009  | 66,445.01   |
| 05/01/2034 | 6,265,181.25  | 6,265,181.25  | 0.654591859  | 4,101,136.64                                      |
|            | 91,789,762.98 | 91,789,762.98 |              | 76,797,508.65                                     |

Proceeds Summary

|                              |               |
|------------------------------|---------------|
| Delivery date                | 03/15/2018    |
| Par Value                    | 67,265,000.00 |
| Premium (Discount)           | 9,532,508.65  |
| Target for yield calculation | 76,797,508.65 |

## PROOF OF ARBITRAGE YIELD

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Assumed Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date  | Call Price | Yield To Call/Maturity |
|----------------|---------------|--------|--------|------------|------------|------------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% | 05/01/2026 | 100.000    | 2.4698367%             |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% | 05/01/2026 | 100.000    | 2.5398721%             |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% | 05/01/2026 | 100.000    | 2.6497442%             |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% | 05/01/2026 | 100.000    | 2.7397341%             |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% | 05/01/2026 | 100.000    | 2.7897287%             |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% | 05/01/2026 | 100.000    | 2.8198220%             |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% | 05/01/2026 | 100.000    | 2.8697562%             |

Rejected Call/Computation Dates for Premium Bonds

| Bond Component | Maturity Date | Rate   | Yield  | Call Date | Call Price | Yield To Call/Maturity | Increase to Yield |
|----------------|---------------|--------|--------|-----------|------------|------------------------|-------------------|
| SERIAL         | 05/01/2027    | 5.000% | 2.470% |           |            | 2.6963777%             | 0.2265411%        |
| SERIAL         | 05/01/2028    | 5.000% | 2.540% |           |            | 2.9364737%             | 0.3966016%        |
| SERIAL         | 05/01/2029    | 5.000% | 2.650% |           |            | 3.1663014%             | 0.5165572%        |
| SERIAL         | 05/01/2030    | 5.000% | 2.740% |           |            | 3.3466397%             | 0.6069056%        |
| SERIAL         | 05/01/2031    | 5.000% | 2.790% |           |            | 3.4741604%             | 0.6844317%        |
| SERIAL         | 05/01/2032    | 5.000% | 2.820% |           |            | 3.5716360%             | 0.7518140%        |
| SERIAL         | 05/01/2033    | 5.000% | 2.870% |           |            | 3.6689980%             | 0.7992417%        |



## AVERAGE TAKEDOWN

City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A  
 FINAL SCHEDULES

Dated Date 03/15/2018  
 Delivery Date 03/15/2018

| Bond Component | Maturity Date | Par Amount | Takedown \$/Bond | Takedown Amount |
|----------------|---------------|------------|------------------|-----------------|
| Serial Bond    |               |            |                  |                 |
|                | 05/01/2020    | 3,090,000  | 2.7500           | 8,497.50        |
|                | 05/01/2021    | 3,250,000  | 2.7500           | 8,937.50        |
|                | 05/01/2022    | 3,415,000  | 2.7500           | 9,391.25        |
|                | 05/01/2023    | 3,590,000  | 2.7500           | 9,872.50        |
|                | 05/01/2024    | 3,775,000  | 2.7500           | 10,381.25       |
|                | 05/01/2025    | 3,970,000  | 2.7500           | 10,917.50       |
|                | 05/01/2026    | 4,170,000  | 2.7500           | 11,467.50       |
|                | 05/01/2027    | 4,385,000  | 2.7500           | 12,058.75       |
|                | 05/01/2028    | 4,610,000  | 2.7500           | 12,677.50       |
|                | 05/01/2029    | 4,845,000  | 2.7500           | 13,323.75       |
|                | 05/01/2030    | 5,095,000  | 2.7500           | 14,011.25       |
|                | 05/01/2031    | 5,355,000  | 2.7500           | 14,726.25       |
|                | 05/01/2032    | 5,630,000  | 2.7500           | 15,482.50       |
|                | 05/01/2033    | 5,920,000  | 2.7500           | 16,280.00       |
|                | 05/01/2034    | 6,165,000  | 2.7500           | 16,953.75       |
|                |               | 67,265,000 | 2.7500           | 184,978.75      |

## UNDERWRITER'S DISCOUNT

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Underwriter's Discount | \$/1000 | Amount     |
|------------------------|---------|------------|
| Average Takedown       | 2.75000 | 184,978.75 |
| Structuring            | 2.00000 | 134,530.00 |
| Underwriter's Counsel  | 1.00000 | 67,265.00  |
| Ipreso Book Running    | 0.06728 | 4,525.91   |
| Ipreso Order Monitor   | 0.03266 | 2,197.04   |
| Ipreso Wire Charges    | 0.00267 | 179.64     |
| DTC Charges            | 0.01189 | 800.00     |
| CUSIP                  | 0.00743 | 500.00     |
| CUSIP Disclosure Fee   | 0.00052 | 35.00      |
| Miscellaneous          | 0.01487 | 1,000.00   |
|                        | 5.88733 | 396,011.34 |

## COST OF ISSUANCE

City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A  
FINAL SCHEDULES

| Cost of Issuance                             | \$/1000 | Amount     |
|--|---------|------------|
| Barclay Damon(Bond Counsel)                  | 1.85832 | 125,000 00 |
| Trespasz & Marquardt (SJSCB's Counsel)       | 0.96633 | 65,000 00  |
| Trustee (M&T)                                | 0.08177 | 5,500 00   |
| Trustee's Counsel (Hodgson Russ)             | 0.11893 | 8,000 00   |
| Bonadio (Auditor)                            | 0.08920 | 6,000 00   |
| Financial Advisor (Capital Markets Advisors) | 0.89199 | 60,000 00  |
| Moody's                                      | 0.63926 | 43,000 00  |
| S&P Global                                   | 0.53520 | 36,000 00  |
| Fitch Ratings                                | 0.59466 | 40,000 00  |
| MBBA   | 0.14867 | 10,000 00  |
| MBBA's Financial Advisor                     | 0.14867 | 10,000 00  |
| Printer (ImageMaster)                        | 0.07433 | 5,000 00   |
| Miscellaneous                                | 0.05203 | 3,500 00   |
|  | 6.19936 | 417,000 00 |

## SOURCES AND USES OF FUNDS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018; Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds.                                |                      |
| Par Amount                                    | 18,830,000 00        |
| Net Premium                                   | <u>2,665,170 45</u>  |
|   | 21,495,170 45        |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 17,778 55            |
| SCSD Contribution for BAN Principal Repayment | <u>145,572 92</u>    |
|   | 163,351.47           |
|   | <u>21,658,521.92</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,076,494 12         |
| Deposit to Series 2018A Project Account        | <u>17,912,617 54</u> |
|  | 19,989,111 66        |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 17,778 55            |
| BAN Principal Repayment from SCSD Contribution | 145,572 92           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,027,461 94</u>  |
|  | 1,190,813 41         |
| Delivery Date Expenses.                        |                      |
| Cost of Issuance                               | 116,733 98           |
| Underwriter's Discount                         | 110,858 45           |
| NYS Bond Issuance Charge (\$8.4 per Bond)      | 156,854 42           |
| SIDA Fee (\$5 per Bond)                        | <u>94,150 00</u>     |
|  | 478,596 85           |
|  | <u>21,658,521 92</u> |

BOND PRICING

Bellevue  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018; Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 865,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 63,145.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 915,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 91,866.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 960,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 117,993.60          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,000,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 144,960.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,060,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 176,521.80          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,100,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 198,946.00          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,155,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 227,107.65          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,240,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 229,697.60          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,275,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 228,977.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,355,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 231,420.45          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,440,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 235,641.60          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,510,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 241,131.90          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,575,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 247,779.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,640,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 251,576.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,740,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -21,593.40          | 2.750    |
|                |               |           | 18,830,000 |        |        |           |                   |            |            | 2,665,170.45        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 18,830,000.00 |             |
| Premium                | 2,665,170.45  |             |
| Production             | 21,495,170.45 | 114.153853% |
| Underwriter's Discount | -110,858.45   | -0.588733%  |
| Purchase Price         | 21,384,312.00 | 113.565119% |
| Accrued Interest       |               |             |
| Net Proceeds           | 21,384,312.00 |             |

## BOND DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest     | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|--------------|---------------|------------------------|
| 11/01/2018       |            |        | 571,936 94   | 571,936 94    | 571,936 94             |
| 05/01/2019       |            |        | 455,525 00   | 455,525 00    |                        |
| 11/01/2019       |            |        | 455,525 00   | 455,525 00    | 911,050 00             |
| 05/01/2020       | 865,000    | 5 000% | 455,525 00   | 1,320,525 00  |                        |
| 11/01/2020       |            |        | 433,900 00   | 433,900 00    | 1,754,425 00           |
| 05/01/2021       | 915,000    | 5 000% | 433,900 00   | 1,348,900 00  |                        |
| 11/01/2021       |            |        | 411,025 00   | 411,025 00    | 1,759,925 00           |
| 05/01/2022       | 960,000    | 5 000% | 411,025 00   | 1,371,025 00  |                        |
| 11/01/2022       |            |        | 387,025 00   | 387,025 00    | 1,758,050 00           |
| 05/01/2023       | 1,000,000  | 5 000% | 387,025 00   | 1,387,025 00  |                        |
| 11/01/2023       |            |        | 362,025 00   | 362,025 00    | 1,749,050 00           |
| 05/01/2024       | 1,060,000  | 5 000% | 362,025 00   | 1,422,025 00  |                        |
| 11/01/2024       |            |        | 335,525 00   | 335,525 00    | 1,757,550 00           |
| 05/01/2025       | 1,100,000  | 5 000% | 335,525 00   | 1,435,525 00  |                        |
| 11/01/2025       |            |        | 308,025 00   | 308,025 00    | 1,743,550 00           |
| 05/01/2026       | 1,155,000  | 5 000% | 308,025 00   | 1,463,025 00  |                        |
| 11/01/2026       |            |        | 279,150 00   | 279,150 00    | 1,742,175 00           |
| 05/01/2027       | 1,240,000  | 5 000% | 279,150 00   | 1,519,150 00  |                        |
| 11/01/2027       |            |        | 248,150 00   | 248,150 00    | 1,767,300 00           |
| 05/01/2028       | 1,275,000  | 5 000% | 248,150 00   | 1,523,150 00  |                        |
| 11/01/2028       |            |        | 216,275 00   | 216,275 00    | 1,739,425 00           |
| 05/01/2029       | 1,355,000  | 5 000% | 216,275 00   | 1,571,275 00  |                        |
| 11/01/2029       |            |        | 182,400 00   | 182,400 00    | 1,753,675 00           |
| 05/01/2030       | 1,440,000  | 5 000% | 182,400 00   | 1,622,400 00  |                        |
| 11/01/2030       |            |        | 146,400 00   | 146,400 00    | 1,768,800 00           |
| 05/01/2031       | 1,510,000  | 5 000% | 146,400 00   | 1,656,400 00  |                        |
| 11/01/2031       |            |        | 108,650 00   | 108,650 00    | 1,765,050 00           |
| 05/01/2032       | 1,575,000  | 5 000% | 108,650 00   | 1,683,650 00  |                        |
| 11/01/2032       |            |        | 69,275 00    | 69,275 00     | 1,752,925 00           |
| 05/01/2033       | 1,640,000  | 5 000% | 69,275 00    | 1,709,275 00  |                        |
| 11/01/2033       |            |        | 28,275 00    | 28,275 00     | 1,737,550 00           |
| 05/01/2034       | 1,740,000  | 3 250% | 28,275 00    | 1,768,275 00  |                        |
| 11/01/2034       |            |        |              |               | 1,768,275 00           |
|                  | 18,830,000 |        | 8,970,711 94 | 27,800,711 94 | 27,800,711 94          |

## NET DEBT SERVICE

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 571,936 94   | 571,936 94            | 571,936 94  |                     |                   |
| 05/01/2019 |            |        | 455,525 00   | 455,525 00            | 455,525 00  |                     |                   |
| 11/01/2019 |            |        | 455,525 00   | 455,525 00            |   | 455,525             | 455,525           |
| 05/01/2020 | 865,000    | 5 000% | 455,525 00   | 1,320,525 00          |   | 1,320,525           |                   |
| 11/01/2020 |            |        | 433,900 00   | 433,900 00            |   | 433,900             | 1,754,425         |
| 05/01/2021 | 915,000    | 5 000% | 433,900 00   | 1,348,900 00          |   | 1,348,900           |                   |
| 11/01/2021 |            |        | 411,025 00   | 411,025 00            |   | 411,025             | 1,759,925         |
| 05/01/2022 | 960,000    | 5 000% | 411,025 00   | 1,371,025 00          |   | 1,371,025           |                   |
| 11/01/2022 |            |        | 387,025 00   | 387,025 00            |   | 387,025             | 1,758,050         |
| 05/01/2023 | 1,000,000  | 5 000% | 387,025 00   | 1,387,025 00          |   | 1,387,025           |                   |
| 11/01/2023 |            |        | 362,025 00   | 362,025 00            |   | 362,025             | 1,749,050         |
| 05/01/2024 | 1,060,000  | 5.000% | 362,025 00   | 1,422,025 00          |   | 1,422,025           |                   |
| 11/01/2024 |            |        | 335,525 00   | 335,525 00            |   | 335,525             | 1,757,550         |
| 05/01/2025 | 1,100,000  | 5 000% | 335,525 00   | 1,435,525 00          |   | 1,435,525           |                   |
| 11/01/2025 |            |        | 308,025 00   | 308,025 00            |   | 308,025             | 1,743,550         |
| 05/01/2026 | 1,155,000  | 5 000% | 308,025 00   | 1,463,025 00          |   | 1,463,025           |                   |
| 11/01/2026 |            |        | 279,150 00   | 279,150 00            |   | 279,150             | 1,742,175         |
| 05/01/2027 | 1,240,000  | 5 000% | 279,150 00   | 1,519,150 00          |   | 1,519,150           |                   |
| 11/01/2027 |            |        | 248,150 00   | 248,150 00            |   | 248,150             | 1,767,300         |
| 05/01/2028 | 1,275,000  | 5 000% | 248,150 00   | 1,523,150 00          |   | 1,523,150           |                   |
| 11/01/2028 |            |        | 216,275 00   | 216,275 00            |   | 216,275             | 1,739,425         |
| 05/01/2029 | 1,355,000  | 5 000% | 216,275 00   | 1,571,275 00          |   | 1,571,275           |                   |
| 11/01/2029 |            |        | 182,400 00   | 182,400 00            |   | 182,400             | 1,753,675         |
| 05/01/2030 | 1,440,000  | 5 000% | 182,400 00   | 1,622,400 00          |   | 1,622,400           |                   |
| 11/01/2030 |            |        | 146,400 00   | 146,400 00            |   | 146,400             | 1,768,800         |
| 05/01/2031 | 1,510,000  | 5 000% | 146,400 00   | 1,656,400 00          |   | 1,656,400           |                   |
| 11/01/2031 |            |        | 108,650 00   | 108,650 00            |   | 108,650             | 1,765,050         |
| 05/01/2032 | 1,575,000  | 5 000% | 108,650 00   | 1,683,650 00          |   | 1,683,650           |                   |
| 11/01/2032 |            |        | 69,275 00    | 69,275 00             |   | 69,275              | 1,752,925         |
| 05/01/2033 | 1,640,000  | 5 000% | 69,275 00    | 1,709,275 00          |   | 1,709,275           |                   |
| 11/01/2033 |            |        | 28,275 00    | 28,275 00             |   | 28,275              | 1,737,550         |
| 05/01/2034 | 1,740,000  | 3 250% | 28,275 00    | 1,768,275 00          |   | 1,768,275           |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,768,275         |
|            | 18,830,000 |        | 8,970,711 94 | 27,800,711 94         | 1,027,461 94  | 26,773,250          | 26,773,250        |

## BOND SUMMARY STATISTICS

Bellevue  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132505%     |
| Net Interest Cost (NIC)           | 3.390686%     |
| All-In TIC                        | 3.350144%     |
| Average Coupon                    | 4.740488%     |
| Average Life (years)              | 10.050        |
| Weighted Average Maturity (years) | 10.012        |
| Duration of Issue (years)         | 8.121         |
| Par Amount                        | 18,830,000.00 |
| Bond Proceeds                     | 21,495,170.45 |
| Total Interest                    | 8,970,711.94  |
| Net Interest                      | 6,416,399.94  |
| Total Debt Service                | 27,800,711.94 |
| Maximum Annual Debt Service       | 1,768,800.00  |
| Average Annual Debt Service       | 1,723,778.21  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.565119    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 18,830,000.00 | 114.154 | 4.740%         | 10.050       | 13,905.75         |
|                | 18,830,000.00 |         |                | 10.050       | 13,905.75         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 18,830,000.00 | 18,830,000.00 | 18,830,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,665,170.45  | 2,665,170.45  | 2,665,170.45    |
| - Underwriter's Discount   | -110,858.45   | -110,858.45   |                 |
| - Cost of Issuance Expense |               | -116,733.98   |                 |
| - Other Amounts            |               | -251,004.42   |                 |
| Target Value               | 21,384,312.00 | 21,016,573.60 | 21,495,170.45   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132505%     | 3.350144%     | 2.644747%       |



## SOURCES AND USES OF FUNDS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 19,800,000 00        |
| Net Premium                                   | <u>2,808,185 95</u>  |
|   | 22,608,185 95        |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 18,688 15            |
| SCSD Contribution for BAN Principal Repayment | <u>153,020 83</u>    |
|   | 171,708 98           |
|   | <u>22,779,894 93</u> |

## Uses:

|  |                      |
|--|----------------------|
| Project Fund Deposits:                         |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,182,733.36         |
| Deposit to Series 2018A Project Account        | <u>18,841,522 56</u> |
|  | 21,024,255 92        |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 18,688.15            |
| BAN Principal Repayment from SCSD Contribution | 153,020 83           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,080,678 96</u>  |
|  | 1,252,387 94         |
| Delivery Date Expenses                         |                      |
| Cost of Issuance                               | 122,747 35           |
| Underwriter's Discount                         | 116,569 17           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 164,934 55           |
| SIDA Fee (\$5 per Bond)                        | <u>99,000 00</u>     |
|  | 503,251 07           |
|  | <u>22,779,894 93</u> |

BOND PRICING

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    | 05/01/2020    | 871683CU0 | 900,000    | 5.000% | 1.500% | 107.300   |                   |            |            | 65,700.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 950,000    | 5.000% | 1.690% | 110.040   |                   |            |            | 95,380.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 995,000    | 5.000% | 1.890% | 112.291   |                   |            |            | 122,295.45          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,065,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 154,382.40          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,100,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 183,183.00          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,170,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 211,606.20          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,240,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 243,821.20          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,285,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 238,033.40          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,375,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 246,936.25          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,440,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 245,937.60          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,510,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 247,096.40          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,560,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 249,116.40          | 2.750    |
|                | 05/01/2032    | 871683DG0 | 1,640,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 258,004.80          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,755,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 269,217.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 1,815,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -22,524.15          | 2.750    |
|                |               |           | 19,800,000 |        |        |           |                   |            |            | 2,808,185.95        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 19,800,000.00 |             |
| Premium                | 2,808,185.95  |             |
| Production             | 22,608,185.95 | 114.182757% |
| Underwriter's Discount | -116,569.17   | -0.588733%  |
| Purchase Price         | 22,491,616.78 | 113.594024% |
| Accrued Interest       |               |             |
| Net Proceeds           | 22,491,616.78 |             |

## BOND DEBT SERVICE

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal  | Coupon | Interest     | Debt Service  | Annual<br>Debt Service |
|------------------|------------|--------|--------------|---------------|------------------------|
| 11/01/2018       |            |        | 601,560 21   | 601,560 21    | 601,560 21             |
| 05/01/2019       |            |        | 479,118 75   | 479,118 75    |                        |
| 11/01/2019       |            |        | 479,118 75   | 479,118 75    | 958,237 50             |
| 05/01/2020       | 900,000    | 5 000% | 479,118 75   | 1,379,118 75  |                        |
| 11/01/2020       |            |        | 456,618 75   | 456,618 75    | 1,835,737 50           |
| 05/01/2021       | 950,000    | 5 000% | 456,618 75   | 1,406,618 75  |                        |
| 11/01/2021       |            |        | 432,868 75   | 432,868 75    | 1,839,487 50           |
| 05/01/2022       | 995,000    | 5 000% | 432,868 75   | 1,427,868 75  |                        |
| 11/01/2022       |            |        | 407,993 75   | 407,993 75    | 1,835,862 50           |
| 05/01/2023       | 1,065,000  | 5 000% | 407,993 75   | 1,472,993 75  |                        |
| 11/01/2023       |            |        | 381,368 75   | 381,368 75    | 1,854,362 50           |
| 05/01/2024       | 1,100,000  | 5.000% | 381,368 75   | 1,481,368 75  |                        |
| 11/01/2024       |            |        | 353,868 75   | 353,868 75    | 1,835,237 50           |
| 05/01/2025       | 1,170,000  | 5 000% | 353,868 75   | 1,523,868 75  |                        |
| 11/01/2025       |            |        | 324,618 75   | 324,618 75    | 1,848,487 50           |
| 05/01/2026       | 1,240,000  | 5.000% | 324,618 75   | 1,564,618 75  |                        |
| 11/01/2026       |            |        | 293,618 75   | 293,618 75    | 1,858,237 50           |
| 05/01/2027       | 1,285,000  | 5 000% | 293,618 75   | 1,578,618 75  |                        |
| 11/01/2027       |            |        | 261,493 75   | 261,493 75    | 1,840,112 50           |
| 05/01/2028       | 1,375,000  | 5 000% | 261,493 75   | 1,636,493 75  |                        |
| 11/01/2028       |            |        | 227,118 75   | 227,118 75    | 1,863,612 50           |
| 05/01/2029       | 1,440,000  | 5 000% | 227,118 75   | 1,667,118 75  |                        |
| 11/01/2029       |            |        | 191,118 75   | 191,118 75    | 1,858,237 50           |
| 05/01/2030       | 1,510,000  | 5 000% | 191,118 75   | 1,701,118 75  |                        |
| 11/01/2030       |            |        | 153,368 75   | 153,368 75    | 1,854,487 50           |
| 05/01/2031       | 1,560,000  | 5 000% | 153,368 75   | 1,713,368 75  |                        |
| 11/01/2031       |            |        | 114,368 75   | 114,368 75    | 1,827,737 50           |
| 05/01/2032       | 1,640,000  | 5 000% | 114,368 75   | 1,754,368 75  |                        |
| 11/01/2032       |            |        | 73,368 75    | 73,368 75     | 1,827,737 50           |
| 05/01/2033       | 1,755,000  | 5 000% | 73,368 75    | 1,828,368 75  |                        |
| 11/01/2033       |            |        | 29,493 75    | 29,493 75     | 1,857,862 50           |
| 05/01/2034       | 1,815,000  | 3 250% | 29,493 75    | 1,844,493 75  |                        |
| 11/01/2034       |            |        |              |               | 1,844,493 75           |
|                  | 19,800,000 |        | 9,441,491 46 | 29,241,491 46 | 29,241,491 46          |

## NET DEBT SERVICE

Ed Smith  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 601,560 21   | 601,560 21            | 601,560 21  |                     |                   |
| 05/01/2019 |            |        | 479,118 75   | 479,118 75            | 479,118 75  |                     |                   |
| 11/01/2019 |            |        | 479,118 75   | 479,118 75            |   | 479,118 75          | 479,118 75        |
| 05/01/2020 | 900,000    | 5 000% | 479,118 75   | 1,379,118 75          |   | 1,379,118 75        |                   |
| 11/01/2020 |            |        | 456,618 75   | 456,618 75            |   | 456,618 75          | 1,835,737 50      |
| 05/01/2021 | 950,000    | 5 000% | 456,618 75   | 1,406,618 75          |   | 1,406,618 75        |                   |
| 11/01/2021 |            |        | 432,868.75   | 432,868.75            |   | 432,868 75          | 1,839,487 50      |
| 05/01/2022 | 995,000    | 5 000% | 432,868.75   | 1,427,868 75          |   | 1,427,868 75        |                   |
| 11/01/2022 |            |        | 407,993 75   | 407,993 75            |   | 407,993 75          | 1,835,862 50      |
| 05/01/2023 | 1,065,000  | 5 000% | 407,993.75   | 1,472,993 75          |   | 1,472,993 75        |                   |
| 11/01/2023 |            |        | 381,368 75   | 381,368 75            |   | 381,368 75          | 1,854,362 50      |
| 05/01/2024 | 1,100,000  | 5.000% | 381,368 75   | 1,481,368 75          |   | 1,481,368 75        |                   |
| 11/01/2024 |            |        | 353,868.75   | 353,868 75            |   | 353,868 75          | 1,835,237 50      |
| 05/01/2025 | 1,170,000  | 5 000% | 353,868.75   | 1,523,868 75          |   | 1,523,868 75        |                   |
| 11/01/2025 |            |        | 324,618 75   | 324,618 75            |   | 324,618 75          | 1,848,487 50      |
| 05/01/2026 | 1,240,000  | 5 000% | 324,618 75   | 1,564,618 75          |   | 1,564,618 75        |                   |
| 11/01/2026 |            |        | 293,618 75   | 293,618 75            |   | 293,618 75          | 1,858,237 50      |
| 05/01/2027 | 1,285,000  | 5 000% | 293,618.75   | 1,578,618 75          |   | 1,578,618 75        |                   |
| 11/01/2027 |            |        | 261,493.75   | 261,493.75            |   | 261,493 75          | 1,840,112 50      |
| 05/01/2028 | 1,375,000  | 5 000% | 261,493 75   | 1,636,493 75          |   | 1,636,493 75        |                   |
| 11/01/2028 |            |        | 227,118.75   | 227,118 75            |   | 227,118 75          | 1,863,612 50      |
| 05/01/2029 | 1,440,000  | 5 000% | 227,118 75   | 1,667,118 75          |   | 1,667,118 75        |                   |
| 11/01/2029 |            |        | 191,118 75   | 191,118 75            |   | 191,118 75          | 1,858,237 50      |
| 05/01/2030 | 1,510,000  | 5 000% | 191,118 75   | 1,701,118 75          |   | 1,701,118 75        |                   |
| 11/01/2030 |            |        | 153,368 75   | 153,368 75            |   | 153,368.75          | 1,854,487 50      |
| 05/01/2031 | 1,560,000  | 5 000% | 153,368 75   | 1,713,368 75          |   | 1,713,368 75        |                   |
| 11/01/2031 |            |        | 114,368 75   | 114,368 75            |   | 114,368 75          | 1,827,737 50      |
| 05/01/2032 | 1,640,000  | 5 000% | 114,368 75   | 1,754,368 75          |   | 1,754,368 75        |                   |
| 11/01/2032 |            |        | 73,368.75    | 73,368 75             |   | 73,368 75           | 1,827,737 50      |
| 05/01/2033 | 1,755,000  | 5 000% | 73,368 75    | 1,828,368 75          |   | 1,828,368 75        |                   |
| 11/01/2033 |            |        | 29,493 75    | 29,493.75             |   | 29,493 75           | 1,857,862 50      |
| 05/01/2034 | 1,815,000  | 3 250% | 29,493.75    | 1,844,493 75          |   | 1,844,493 75        |                   |
| 11/01/2034 |            |        |              |                       |   |                     | 1,844,493 75      |
|            | 19,800,000 |        | 9,441,491 46 | 29,241,491 46         | 1,080,678 96  | 28,160,812 50       | 28,160,812 50     |

## BOND SUMMARY STATISTICS

Ed Smith  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.132008%     |
| Net Interest Cost (NIC)           | 3.390619%     |
| All-In TIC                        | 3.349494%     |
| Average Coupon                    | 4.742681%     |
| Average Life (years)              | 10.054        |
| Weighted Average Maturity (years) | 10.016        |
| Duration of Issue (years)         | 8.125         |
| Par Amount                        | 19,800,000.00 |
| Bond Proceeds                     | 22,608,185.95 |
| Total Interest                    | 9,441,491.46  |
| Net Interest                      | 6,749,874.68  |
| Total Debt Service                | 29,241,491.46 |
| Maximum Annual Debt Service       | 1,863,612.50  |
| Average Annual Debt Service       | 1,813,113.49  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137332      |
| Total Underwriter's Discount      | 5.887332      |
| Bid Price                         | 113.594024    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 19,800,000.00 | 114.183 | 4.743%         | 10.054       | 14,630.70         |
|                | 19,800,000.00 |         |                | 10.054       | 14,630.70         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 19,800,000.00 | 19,800,000.00 | 19,800,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,808,185.95  | 2,808,185.95  | 2,808,185.95    |
| - Underwriter's Discount   | -116,569.17   | -116,569.17   |                 |
| - Cost of Issuance Expense |               | -122,747.35   |                 |
| - Other Amounts            |               | -263,934.55   |                 |
| Target Value               | 22,491,616.78 | 22,104,934.88 | 22,608,185.95   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.132008%     | 3.349494%     | 2.644747%       |

## SOURCES AND USES OF FUNDS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                     |
|---|---------------------|
| Bond Proceeds                                 |                     |
| Par Amount                                    | 6,215,000 00        |
| Net Premium                                   | 880,862 75          |
|   | <u>7,095,862 75</u> |
| Other Sources of Funds                        |                     |
| SCSD Contribution for BAN Interest Repayment  | 5,871 06            |
| SCSD Contribution for BAN Principal Repayment | 48,072 92           |
|   | <u>53,943 98</u>    |
|   | <u>7,149,806 73</u> |

## Uses

|  |                     |
|--|---------------------|
| Project Fund Deposits                          |                     |
| BAN Principal Repayment from Bond Proceeds     | 685,725 79          |
| Deposit to Series 2018A Project Account        | 5,913,063 35        |
|  | <u>6,598,789 14</u> |
| Other Fund Deposits                            |                     |
| BAN Interest Repayment from SCSD Contribution  | 5,871 06            |
| BAN Principal Repayment from SCSD Contribution | 48,072 92           |
| Capitalized Interest Fund (through 5/1/2019)   | 339,108 68          |
|  | <u>393,052 66</u>   |
| Delivery Date Expenses                         |                     |
| Cost of Issuance                               | 38,529 04           |
| Underwriter's Discount                         | 36,589 77           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 51,771 12           |
| SIDA Fee (\$5 per Bond)                        | 31,075 00           |
|  | <u>157,964 93</u>   |
|  | <u>7,149,806 73</u> |

BOND PRICING

Frazer  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount    | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|-----------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |           |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 285,000   | 5.000% | 1.500% | 107.300   |                   |            |            | 20,805.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 295,000   | 5.000% | 1.690% | 110.040   |                   |            |            | 29,618.00           | 2.750    |
|                | 05/01/2022    | 871683CW6 | 310,000   | 5.000% | 1.890% | 112.291   |                   |            |            | 38,102.10           | 2.750    |
|                | 05/01/2023    | 871683CX4 | 325,000   | 5.000% | 2.010% | 114.496   |                   |            |            | 47,112.00           | 2.750    |
|                | 05/01/2024    | 871683CY2 | 345,000   | 5.000% | 2.090% | 116.653   |                   |            |            | 57,452.85           | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 365,000   | 5.000% | 2.240% | 118.086   |                   |            |            | 66,013.90           | 2.750    |
|                | 05/01/2026    | 871683DA3 | 390,000   | 5.000% | 2.330% | 119.663   |                   |            |            | 76,685.70           | 2.750    |
|                | 05/01/2027    | 871683DB1 | 410,000   | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 75,948.40           | 2.750    |
|                | 05/01/2028    | 871683DC9 | 430,000   | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 77,223.70           | 2.750    |
|                | 05/01/2029    | 871683DD7 | 455,000   | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 77,709.45           | 2.750    |
|                | 05/01/2030    | 871683DE5 | 465,000   | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 76,092.60           | 2.750    |
|                | 05/01/2031    | 871683DF2 | 500,000   | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 79,845.00           | 2.750    |
|                | 05/01/2032    | 871683DGO | 515,000   | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 81,019.80           | 2.750    |
|                | 05/01/2033    | 871683DH8 | 550,000   | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 84,370.00           | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 575,000   | 3.250% | 3.350% | 98.759    |                   |            |            | -7,135.75           | 2.750    |
|                |               |           | 6,215,000 |        |        |           |                   |            |            | 880,862.75          |          |

|                        |              |             |
|------------------------|--------------|-------------|
| Dated Date             | 03/15/2018   |             |
| Delivery Date          | 03/15/2018   |             |
| First Coupon           | 11/01/2018   |             |
| Par Amount             | 6,215,000.00 |             |
| Premium                | 880,862.75   |             |
| Production             | 7,095,862.75 | 114.173174% |
| Underwriter's Discount | -36,589.77   | -0.588733%  |
| Purchase Price         | 7,059,272.98 | 113.584441% |
| Accrued Interest       |              |             |
| Net Proceeds           | 7,059,272.98 |             |

## BOND DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period<br>Ending | Principal | Coupon | Interest     | Debt Service | Annual<br>Debt Service |
|------------------|-----------|--------|--------------|--------------|------------------------|
| 11/01/2018       |           |        | 188,764.93   | 188,764.93   | 188,764.93             |
| 05/01/2019       |           |        | 150,343.75   | 150,343.75   |                        |
| 11/01/2019       |           |        | 150,343.75   | 150,343.75   | 300,687.50             |
| 05/01/2020       | 285,000   | 5.000% | 150,343.75   | 435,343.75   |                        |
| 11/01/2020       |           |        | 143,218.75   | 143,218.75   | 578,562.50             |
| 05/01/2021       | 295,000   | 5.000% | 143,218.75   | 438,218.75   |                        |
| 11/01/2021       |           |        | 135,843.75   | 135,843.75   | 574,062.50             |
| 05/01/2022       | 310,000   | 5.000% | 135,843.75   | 445,843.75   |                        |
| 11/01/2022       |           |        | 128,093.75   | 128,093.75   | 573,937.50             |
| 05/01/2023       | 325,000   | 5.000% | 128,093.75   | 453,093.75   |                        |
| 11/01/2023       |           |        | 119,968.75   | 119,968.75   | 573,062.50             |
| 05/01/2024       | 345,000   | 5.000% | 119,968.75   | 464,968.75   |                        |
| 11/01/2024       |           |        | 111,343.75   | 111,343.75   | 576,312.50             |
| 05/01/2025       | 365,000   | 5.000% | 111,343.75   | 476,343.75   |                        |
| 11/01/2025       |           |        | 102,218.75   | 102,218.75   | 578,562.50             |
| 05/01/2026       | 390,000   | 5.000% | 102,218.75   | 492,218.75   |                        |
| 11/01/2026       |           |        | 92,468.75    | 92,468.75    | 584,687.50             |
| 05/01/2027       | 410,000   | 5.000% | 92,468.75    | 502,468.75   |                        |
| 11/01/2027       |           |        | 82,218.75    | 82,218.75    | 584,687.50             |
| 05/01/2028       | 430,000   | 5.000% | 82,218.75    | 512,218.75   |                        |
| 11/01/2028       |           |        | 71,468.75    | 71,468.75    | 583,687.50             |
| 05/01/2029       | 455,000   | 5.000% | 71,468.75    | 526,468.75   |                        |
| 11/01/2029       |           |        | 60,093.75    | 60,093.75    | 586,562.50             |
| 05/01/2030       | 465,000   | 5.000% | 60,093.75    | 525,093.75   |                        |
| 11/01/2030       |           |        | 48,468.75    | 48,468.75    | 573,562.50             |
| 05/01/2031       | 500,000   | 5.000% | 48,468.75    | 548,468.75   |                        |
| 11/01/2031       |           |        | 35,968.75    | 35,968.75    | 584,437.50             |
| 05/01/2032       | 515,000   | 5.000% | 35,968.75    | 550,968.75   |                        |
| 11/01/2032       |           |        | 23,093.75    | 23,093.75    | 574,062.50             |
| 05/01/2033       | 550,000   | 5.000% | 23,093.75    | 573,093.75   |                        |
| 11/01/2033       |           |        | 9,343.75     | 9,343.75     | 582,437.50             |
| 05/01/2034       | 575,000   | 3.250% | 9,343.75     | 584,343.75   |                        |
| 11/01/2034       |           |        |              |              | 584,343.75             |
|                  | 6,215,000 |        | 2,967,421.18 | 9,182,421.18 | 9,182,421.18           |



## NET DEBT SERVICE

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal | Coupon | Interest     | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|-----------|--------|--------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |           |        | 188,764.93   | 188,764.93            | 188,764.93  |                     |                   |
| 05/01/2019 |           |        | 150,343.75   | 150,343.75            | 150,343.75  |                     |                   |
| 11/01/2019 |           |        | 150,343.75   | 150,343.75            |   | 150,343.75          | 150,343.75        |
| 05/01/2020 | 285,000   | 5.000% | 150,343.75   | 435,343.75            |   | 435,343.75          |                   |
| 11/01/2020 |           |        | 143,218.75   | 143,218.75            |   | 143,218.75          | 578,562.50        |
| 05/01/2021 | 295,000   | 5.000% | 143,218.75   | 438,218.75            |   | 438,218.75          |                   |
| 11/01/2021 |           |        | 135,843.75   | 135,843.75            |   | 135,843.75          | 574,062.50        |
| 05/01/2022 | 310,000   | 5.000% | 135,843.75   | 445,843.75            |   | 445,843.75          |                   |
| 11/01/2022 |           |        | 128,093.75   | 128,093.75            |   | 128,093.75          | 573,937.50        |
| 05/01/2023 | 325,000   | 5.000% | 128,093.75   | 453,093.75            |   | 453,093.75          |                   |
| 11/01/2023 |           |        | 119,968.75   | 119,968.75            |   | 119,968.75          | 573,062.50        |
| 05/01/2024 | 345,000   | 5.000% | 119,968.75   | 464,968.75            |   | 464,968.75          |                   |
| 11/01/2024 |           |        | 111,343.75   | 111,343.75            |   | 111,343.75          | 576,312.50        |
| 05/01/2025 | 365,000   | 5.000% | 111,343.75   | 476,343.75            |   | 476,343.75          |                   |
| 11/01/2025 |           |        | 102,218.75   | 102,218.75            |   | 102,218.75          | 578,562.50        |
| 05/01/2026 | 390,000   | 5.000% | 102,218.75   | 492,218.75            |   | 492,218.75          |                   |
| 11/01/2026 |           |        | 92,468.75    | 92,468.75             |   | 92,468.75           | 584,687.50        |
| 05/01/2027 | 410,000   | 5.000% | 92,468.75    | 502,468.75            |   | 502,468.75          |                   |
| 11/01/2027 |           |        | 82,218.75    | 82,218.75             |   | 82,218.75           | 584,687.50        |
| 05/01/2028 | 430,000   | 5.000% | 82,218.75    | 512,218.75            |   | 512,218.75          |                   |
| 11/01/2028 |           |        | 71,468.75    | 71,468.75             |   | 71,468.75           | 583,687.50        |
| 05/01/2029 | 455,000   | 5.000% | 71,468.75    | 526,468.75            |   | 526,468.75          |                   |
| 11/01/2029 |           |        | 60,093.75    | 60,093.75             |   | 60,093.75           | 586,562.50        |
| 05/01/2030 | 465,000   | 5.000% | 60,093.75    | 525,093.75            |   | 525,093.75          |                   |
| 11/01/2030 |           |        | 48,468.75    | 48,468.75             |   | 48,468.75           | 573,562.50        |
| 05/01/2031 | 500,000   | 5.000% | 48,468.75    | 548,468.75            |   | 548,468.75          |                   |
| 11/01/2031 |           |        | 35,968.75    | 35,968.75             |   | 35,968.75           | 584,437.50        |
| 05/01/2032 | 515,000   | 5.000% | 35,968.75    | 550,968.75            |   | 550,968.75          |                   |
| 11/01/2032 |           |        | 23,093.75    | 23,093.75             |   | 23,093.75           | 574,062.50        |
| 05/01/2033 | 550,000   | 5.000% | 23,093.75    | 573,093.75            |   | 573,093.75          |                   |
| 11/01/2033 |           |        | 9,343.75     | 9,343.75              |   | 9,343.75            | 582,437.50        |
| 05/01/2034 | 575,000   | 3.250% | 9,343.75     | 584,343.75            |   | 584,343.75          |                   |
| 11/01/2034 |           |        |              |                       |   |                     | 584,343.75        |
|            | 6,215,000 |        | 2,967,421.18 | 9,182,421.18          | 339,108.68  | 8,843,312.50        | 8,843,312.50      |

## BOND SUMMARY STATISTICS

Frazer  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

Market as of January 17, 2018, Preliminary, subject to change

|                                   |              |
|-----------------------------------|--------------|
| Dated Date                        | 03/15/2018   |
| Delivery Date                     | 03/15/2018   |
| First Coupon                      | 11/01/2018   |
| Last Maturity                     | 05/01/2034   |
| Arbitrage Yield                   | 2.644747%    |
| True Interest Cost (TIC)          | 3.133599%    |
| Net Interest Cost (NIC)           | 3.391928%    |
| All-In TIC                        | 3.350800%    |
| Average Coupon                    | 4.740733%    |
| Average Life (years)              | 10.071       |
| Weighted Average Maturity (years) | 10.033       |
| Duration of Issue (years)         | 8.136        |
| Par Amount                        | 6,215,000.00 |
| Bond Proceeds                     | 7,095,862.75 |
| Total Interest                    | 2,967,421.18 |
| Net Interest                      | 2,123,148.20 |
| Total Debt Service                | 9,182,421.18 |
| Maximum Annual Debt Service       | 586,562.50   |
| Average Annual Debt Service       | 569,354.40   |
| Underwriter's Fees (per \$1000)   |              |
| Average Takedown                  | 2.750000     |
| Other Fee                         | 3.137332     |
| Total Underwriter's Discount      | 5.887332     |
| Bid Price                         | 113.584441   |

| Bond Component | Par Value    | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 6,215,000.00 | 114.173 | 4.741%         | 10.071       | 4,598.45          |
|                | 6,215,000.00 |         |                | 10.071       | 4,598.45          |

|                            | TIC          | All-In TIC   | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value                  | 6,215,000.00 | 6,215,000.00 | 6,215,000.00    |
| + Accrued Interest         |              |              |                 |
| + Premium (Discount)       | 880,862.75   | 880,862.75   | 880,862.75      |
| - Underwriter's Discount   | -36,589.77   | -36,589.77   |                 |
| - Cost of Issuance Expense |              | -38,529.04   |                 |
| - Other Amounts            |              | -82,846.12   |                 |
| Target Value               | 7,059,272.98 | 6,937,897.82 | 7,095,862.75    |
| Target Date                | 03/15/2018   | 03/15/2018   | 03/15/2018      |
| Yield                      | 3.133599%    | 3.350800%    | 2.644747%       |

## SOURCES AND USES OF FUNDS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

## Sources

|   |                      |
|---|----------------------|
| Bond Proceeds                                 |                      |
| Par Amount                                    | 22,420,000 00        |
| Net Premium                                   | <u>3,178,289 50</u>  |
|   | 25,598,289 50        |
|   |                      |
| Other Sources of Funds                        |                      |
| SCSD Contribution for BAN Interest Repayment  | 21,168.88            |
| SCSD Contribution for BAN Principal Repayment | <u>173,333 33</u>    |
|   | 194,502 21           |
|   | <u>25,792,791 71</u> |

## Uses

|  |                      |
|--|----------------------|
| Project Fund Deposits                          |                      |
| BAN Principal Repayment from Bond Proceeds     | 2,472,476 73         |
| Deposit to Series 2018A Project Account        | <u>21,331,894 06</u> |
|  | 23,804,370 79        |
|  |                      |
| Other Fund Deposits                            |                      |
| BAN Interest Repayment from SCSD Contribution  | 21,168 88            |
| BAN Principal Repayment from SCSD Contribution | 173,333 33           |
| Capitalized Interest Fund (through 5/1/2019)   | <u>1,224,075 90</u>  |
|  | 1,418,578 11         |
|  |                      |
| Delivery Date Expenses.                        |                      |
| Cost of Issuance                               | 138,989 63           |
| Underwriter's Discount                         | 131,993 95           |
| NYS Bond Issuance Charge (\$8 4 per Bond)      | 186,759 23           |
| SIDA Fee (\$5 per Bond)                        | <u>112,100 00</u>    |
|  | 569,842 81           |
|  | <u>25,792,791 71</u> |

BOND PRICING

Grant  
 Syracuse Joint School Construction Board  
 School Facility Revenue Bonds (Syracuse City School District Project)  
 Series 2018A  
 Market as of January 17, 2018, Preliminary, subject to change

| Bond Component | Maturity Date | CUSIP     | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) | Takedown |
|----------------|---------------|-----------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|----------|
| Serial Bond    |               |           |            |        |        |           |                   |            |            |                     |          |
|                | 05/01/2020    | 871683CU0 | 1,040,000  | 5.000% | 1.500% | 107.300   |                   |            |            | 75,920.00           | 2.750    |
|                | 05/01/2021    | 871683CV8 | 1,090,000  | 5.000% | 1.690% | 110.040   |                   |            |            | 109,436.00          | 2.750    |
|                | 05/01/2022    | 871683CW6 | 1,150,000  | 5.000% | 1.890% | 112.291   |                   |            |            | 141,346.50          | 2.750    |
|                | 05/01/2023    | 871683CX4 | 1,200,000  | 5.000% | 2.010% | 114.496   |                   |            |            | 173,952.00          | 2.750    |
|                | 05/01/2024    | 871683CY2 | 1,270,000  | 5.000% | 2.090% | 116.653   |                   |            |            | 211,493.10          | 2.750    |
|                | 05/01/2025    | 871683CZ9 | 1,335,000  | 5.000% | 2.240% | 118.086   |                   |            |            | 241,448.10          | 2.750    |
|                | 05/01/2026    | 871683DA3 | 1,385,000  | 5.000% | 2.330% | 119.663   |                   |            |            | 272,332.55          | 2.750    |
|                | 05/01/2027    | 871683DB1 | 1,450,000  | 5.000% | 2.470% | 118.524 C | 2.697%            | 05/01/2026 | 100.000    | 268,598.00          | 2.750    |
|                | 05/01/2028    | 871683DC9 | 1,530,000  | 5.000% | 2.540% | 117.959 C | 2.937%            | 05/01/2026 | 100.000    | 274,772.70          | 2.750    |
|                | 05/01/2029    | 871683DD7 | 1,595,000  | 5.000% | 2.650% | 117.079 C | 3.167%            | 05/01/2026 | 100.000    | 272,410.05          | 2.750    |
|                | 05/01/2030    | 871683DE5 | 1,680,000  | 5.000% | 2.740% | 116.364 C | 3.347%            | 05/01/2026 | 100.000    | 274,915.20          | 2.750    |
|                | 05/01/2031    | 871683DF2 | 1,785,000  | 5.000% | 2.790% | 115.969 C | 3.474%            | 05/01/2026 | 100.000    | 285,046.65          | 2.750    |
|                | 05/01/2032    | 871683DGO | 1,900,000  | 5.000% | 2.820% | 115.732 C | 3.572%            | 05/01/2026 | 100.000    | 298,908.00          | 2.750    |
|                | 05/01/2033    | 871683DH8 | 1,975,000  | 5.000% | 2.870% | 115.340 C | 3.669%            | 05/01/2026 | 100.000    | 302,965.00          | 2.750    |
|                | 05/01/2034    | 871683DJ4 | 2,035,000  | 3.250% | 3.350% | 98.759    |                   |            |            | -25,254.35          | 2.750    |
|                |               |           | 22,420,000 |        |        |           |                   |            |            | 3,178,289.50        |          |

|                        |               |             |
|------------------------|---------------|-------------|
| Dated Date             | 03/15/2018    |             |
| Delivery Date          | 03/15/2018    |             |
| First Coupon           | 11/01/2018    |             |
| Par Amount             | 22,420,000.00 |             |
| Premium                | 3,178,289.50  |             |
| Production             | 25,598,289.50 | 114.176135% |
| Underwriter's Discount | -131,993.95   | -0.588733%  |
| Purchase Price         | 25,466,295.55 | 113.587402% |
| Accrued Interest       |               |             |
| Net Proceeds           | 25,466,295.55 |             |

## BOND DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

Dated Date           03/15/2018  
Delivery Date       03/15/2018

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service |
|---------------|------------|--------|---------------|---------------|---------------------|
| 11/01/2018    |            |        | 681,382 15    | 681,382 15    | 681,382 15          |
| 05/01/2019    |            |        | 542,693 75    | 542,693 75    |                     |
| 11/01/2019    |            |        | 542,693 75    | 542,693 75    | 1,085,387 50        |
| 05/01/2020    | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75  |                     |
| 11/01/2020    |            |        | 516,693 75    | 516,693 75    | 2,099,387 50        |
| 05/01/2021    | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75  |                     |
| 11/01/2021    |            |        | 489,443 75    | 489,443 75    | 2,096,137 50        |
| 05/01/2022    | 1,150,000  | 5 000% | 489,443 75    | 1,639,443 75  |                     |
| 11/01/2022    |            |        | 460,693 75    | 460,693 75    | 2,100,137 50        |
| 05/01/2023    | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75  |                     |
| 11/01/2023    |            |        | 430,693 75    | 430,693 75    | 2,091,387 50        |
| 05/01/2024    | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75  |                     |
| 11/01/2024    |            |        | 398,943 75    | 398,943 75    | 2,099,637 50        |
| 05/01/2025    | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75  |                     |
| 11/01/2025    |            |        | 365,568 75    | 365,568 75    | 2,099,512 50        |
| 05/01/2026    | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75  |                     |
| 11/01/2026    |            |        | 330,943 75    | 330,943 75    | 2,081,512 50        |
| 05/01/2027    | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75  |                     |
| 11/01/2027    |            |        | 294,693 75    | 294,693 75    | 2,075,637 50        |
| 05/01/2028    | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75  |                     |
| 11/01/2028    |            |        | 256,443 75    | 256,443 75    | 2,081,137 50        |
| 05/01/2029    | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75  |                     |
| 11/01/2029    |            |        | 216,568 75    | 216,568 75    | 2,068,012 50        |
| 05/01/2030    | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75  |                     |
| 11/01/2030    |            |        | 174,568 75    | 174,568 75    | 2,071,137 50        |
| 05/01/2031    | 1,785,000  | 5 000% | 174,568 75    | 1,959,568 75  |                     |
| 11/01/2031    |            |        | 129,943 75    | 129,943 75    | 2,089,512 50        |
| 05/01/2032    | 1,900,000  | 5 000% | 129,943 75    | 2,029,943 75  |                     |
| 11/01/2032    |            |        | 82,443 75     | 82,443 75     | 2,112,387 50        |
| 05/01/2033    | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75  |                     |
| 11/01/2033    |            |        | 33,068 75     | 33,068 75     | 2,090,512 50        |
| 05/01/2034    | 2,035,000  | 3 250% | 33,068 75     | 2,068,068 75  |                     |
| 11/01/2034    |            |        |               |               | 2,068,068 75        |
|               | 22,420,000 |        | 10,670,888 40 | 33,090,888 40 | 33,090,888 40       |

## NET DEBT SERVICE

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A  
Market as of January 17, 2018, Preliminary, subject to change

| Date       | Principal  | Coupon | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund<br>(through<br>5/1/2019) | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|--------|---------------|-----------------------|---|---------------------|-------------------|
| 11/01/2018 |            |        | 681,382 15    | 681,382 15            | 681,382 15  |                     |                   |
| 05/01/2019 |            |        | 542,693 75    | 542,693 75            | 542,693 75  |                     |                   |
| 11/01/2019 |            |        | 542,693 75    | 542,693 75            |   | 542,693 75          | 542,693 75        |
| 05/01/2020 | 1,040,000  | 5 000% | 542,693 75    | 1,582,693 75          |   | 1,582,693 75        |                   |
| 11/01/2020 |            |        | 516,693 75    | 516,693 75            |   | 516,693 75          | 2,099,387 50      |
| 05/01/2021 | 1,090,000  | 5 000% | 516,693 75    | 1,606,693 75          |   | 1,606,693 75        |                   |
| 11/01/2021 |            |        | 489,443 75    | 489,443 75            |   | 489,443 75          | 2,096,137 50      |
| 05/01/2022 | 1,150,000  | 5 000% | 489,443 75    | 1,639,443 75          |   | 1,639,443 75        |                   |
| 11/01/2022 |            |        | 460,693 75    | 460,693 75            |   | 460,693 75          | 2,100,137 50      |
| 05/01/2023 | 1,200,000  | 5 000% | 460,693 75    | 1,660,693 75          |   | 1,660,693 75        |                   |
| 11/01/2023 |            |        | 430,693 75    | 430,693 75            |   | 430,693 75          | 2,091,387 50      |
| 05/01/2024 | 1,270,000  | 5 000% | 430,693 75    | 1,700,693 75          |   | 1,700,693 75        |                   |
| 11/01/2024 |            |        | 398,943 75    | 398,943 75            |   | 398,943 75          | 2,099,637 50      |
| 05/01/2025 | 1,335,000  | 5 000% | 398,943 75    | 1,733,943 75          |   | 1,733,943 75        |                   |
| 11/01/2025 |            |        | 365,568 75    | 365,568 75            |   | 365,568 75          | 2,099,512 50      |
| 05/01/2026 | 1,385,000  | 5 000% | 365,568 75    | 1,750,568 75          |   | 1,750,568 75        |                   |
| 11/01/2026 |            |        | 330,943 75    | 330,943 75            |   | 330,943 75          | 2,081,512 50      |
| 05/01/2027 | 1,450,000  | 5 000% | 330,943 75    | 1,780,943 75          |   | 1,780,943 75        |                   |
| 11/01/2027 |            |        | 294,693 75    | 294,693 75            |   | 294,693 75          | 2,075,637 50      |
| 05/01/2028 | 1,530,000  | 5 000% | 294,693 75    | 1,824,693 75          |   | 1,824,693 75        |                   |
| 11/01/2028 |            |        | 256,443 75    | 256,443 75            |   | 256,443 75          | 2,081,137 50      |
| 05/01/2029 | 1,595,000  | 5 000% | 256,443 75    | 1,851,443 75          |   | 1,851,443 75        |                   |
| 11/01/2029 |            |        | 216,568 75    | 216,568 75            |   | 216,568 75          | 2,068,012 50      |
| 05/01/2030 | 1,680,000  | 5 000% | 216,568 75    | 1,896,568 75          |   | 1,896,568 75        |                   |
| 11/01/2030 |            |        | 174,568 75    | 174,568 75            |   | 174,568 75          | 2,071,137 50      |
| 05/01/2031 | 1,785,000  | 5 000% | 174,568 75    | 1,959,568 75          |   | 1,959,568 75        |                   |
| 11/01/2031 |            |        | 129,943 75    | 129,943 75            |   | 129,943 75          | 2,089,512 50      |
| 05/01/2032 | 1,900,000  | 5 000% | 129,943 75    | 2,029,943 75          |   | 2,029,943 75        |                   |
| 11/01/2032 |            |        | 82,443 75     | 82,443 75             |   | 82,443 75           | 2,112,387 50      |
| 05/01/2033 | 1,975,000  | 5 000% | 82,443 75     | 2,057,443 75          |   | 2,057,443 75        |                   |
| 11/01/2033 |            |        | 33,068 75     | 33,068 75             |   | 33,068 75           | 2,090,512 50      |
| 05/01/2034 | 2,035,000  | 3 250% | 33,068 75     | 2,068,068 75          |   | 2,068,068 75        |                   |
| 11/01/2034 |            |        |               |                       |   |                     | 2,068,068 75      |
|            | 22,420,000 |        | 10,670,888 40 | 33,090,888 40         | 1,224,075 90  | 31,866,812 50       | 31,866,812 50     |

## BOND SUMMARY STATISTICS

Grant  
Syracuse Joint School Construction Board  
School Facility Revenue Bonds (Syracuse City School District Project)  
Series 2018A

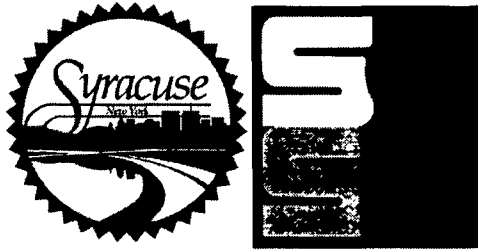
Market as of January 17, 2018, Preliminary, subject to change

|                                   |               |
|-----------------------------------|---------------|
| Dated Date                        | 03/15/2018    |
| Delivery Date                     | 03/15/2018    |
| First Coupon                      | 11/01/2018    |
| Last Maturity                     | 05/01/2034    |
| Arbitrage Yield                   | 2.644747%     |
| True Interest Cost (TIC)          | 3.131195%     |
| Net Interest Cost (NIC)           | 3.390143%     |
| All-In TIC                        | 3.349123%     |
| Average Coupon                    | 4.744625%     |
| Average Life (years)              | 10.031        |
| Weighted Average Maturity (years) | 9.995         |
| Duration of Issue (years)         | 8.109         |
| Par Amount                        | 22,420,000.00 |
| Bond Proceeds                     | 25,598,289.50 |
| Total Interest                    | 10,670,888.40 |
| Net Interest                      | 7,624,592.85  |
| Total Debt Service                | 33,090,888.40 |
| Maximum Annual Debt Service       | 2,112,387.50  |
| Average Annual Debt Service       | 2,051,794.66  |
| Underwriter's Fees (per \$1000)   |               |
| Average Takedown                  | 2.750000      |
| Other Fee                         | 3.137331      |
| Total Underwriter's Discount      | 5.887331      |
| Bid Price                         | 113.587402    |

| Bond Component | Par Value     | Price   | Average Coupon | Average Life | PV of 1 bp change |
|----------------|---------------|---------|----------------|--------------|-------------------|
| Serial Bond    | 22,420,000.00 | 114.176 | 4.745%         | 10.031       | 16,525.40         |
|                | 22,420,000.00 |         |                | 10.031       | 16,525.40         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 22,420,000.00 | 22,420,000.00 | 22,420,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 3,178,289.50  | 3,178,289.50  | 3,178,289.50    |
| - Underwriter's Discount   | -131,993.95   | -131,993.95   |                 |
| - Cost of Issuance Expense |               | -138,989.63   |                 |
| - Other Amounts            |               | -298,859.23   |                 |
| Target Value               | 25,466,295.55 | 25,028,446.69 | 25,598,289.50   |
| Target Date                | 03/15/2018    | 03/15/2018    | 03/15/2018      |
| Yield                      | 3.131195%     | 3.349123%     | 2.644747%       |

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**



**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**PRE-PRICING INFORMATION**

**PRICING: MARCH 1, 2018**

**CLOSING: MARCH 15, 2018**

**RAYMOND JAMES**



## TABLE OF CONTENTS

- 1. Transaction Overview**
  - a. General Transaction Details
- 2. Marketing Overview**
  - a. Economic Calendar
  - b. Market Information
  - c. Comparable Transactions
  - d. Bond Holder Comparison
  - e. Orders of the City of Syracuse IDA, Series 2017 Issue
  - f. Pricing Workbook
  - g. Syndicate Price Views
  - h. Pre-Marketing Wire
- 3. Transaction Documents**
  - a. POS Cover
  - b. Rating Reports
  - c. Working Group Distribution List

## Transaction Overview

### General Transaction Details

|   |  |
|---|--|
| <b>Par Amount:</b>                        | \$66,855,000*  |
| <b>Issuer:</b>                            | City of Syracuse Industrial Development Agency   |
| <b>Borrower:</b>                          | Syracuse Joint School Construction Board ("JSCB")  |
| <b>Purpose of 2018A Bonds</b>             | The proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the cost of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City of Syracuse \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. |
| <b>Tax Status:</b>                        | Federally and State Tax-Exempt   |
| <b>Pricing:</b>                           | March 1, 2018  |
| <b>Written Award:</b>                     | March 2, 2018  |
| <b>Closing:</b>                           | March 15, 2018   |
| <b>Rating:</b>                            | Aa2/AA/AA (Moody's, Standard & Poor's, and Fitch)  |
| <b>Bond Counsel:</b>                      | Barclay Damon LLP  |
| <b>JSCB Counsel:</b>                      | Trespasz & Marquart, LLP   |
| <b>SCSD &amp; City Financial Advisor:</b> | Capital Markets Advisors, LLP  |
| <b>Trustee:</b>                           | M&T Bank   |
| <b>Underwriters Counsel:</b>              | Harris Beach, PLLC   |
| <b>Senior Manager:</b>                    | Raymond James & Associates, Inc.   |
| <b>Co-Managers:</b>                       | FTN Financial Capital Markets<br>Loop Capital Markets<br>Ramirez & Co., Inc.   |

\*Subject to change

# Marketing Overview

## Economic Releases & Forward Calendar

| Week of February 26, 2018  |  |   |  |  |
|--|--|---|--|--|
| Monday   | Tuesday  | Wednesday   | Thursday   | Friday   |
| 26   | 27   | 28  | 1  | 2  |
| <ul style="list-style-type: none"> <li>10:00am – New Home sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Durable Good Orders (Jan)</li> <li>8:30am – Adv. Econ Indicators (Jan)</li> <li>10:00am – CB Cons. Confidence (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Real GDP (4Q17, 2<sup>nd</sup> est.)</li> <li>10:00am - Pending Home Sales (Jan)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Jobless Claims</li> <li>8:30am – Personal Income</li> <li>9:45am – Markit US Manf. (Feb, final)</li> <li>10:00am – ISM Manf. Survey (Feb)</li> </ul> | <ul style="list-style-type: none"> <li>8:30am – Employment Report (Mar)</li> <li>10:00am – UM Cons. Sent. (Feb)</li> </ul> |

## Forward Calendar

| Sale Date  | Issuer  | State | Par (\$MM) | Underwriter         |
|------------|---|-------|------------|---------------------|
| 02/27/2018 | Kenowa Hills Public Schools                       | MI    | 36.090     | Raymond James       |
| 02/27/2018 | Tennessee Housing Development Agency              | TN    | 99.900     | Raymond James       |
| 02/28/2018 | Maricopa County                                   | AZ    | 106.665    | J.P. Morgan         |
| 03/01/2018 | NYS Thruway Authority                             | NY    | 600.000    | RBC Capital Markets |
| 03/01/2018 | City of Houston – Airport System                  | TX    | 417.000    | Bank of America     |
| 03/01/2018 | State of Connecticut Health and Edu Fac Authority | CT    | 66.285     | Goldman Sachs       |
| 03/01/2018 | Salinas City Elementary School                    | CA    | 20.000     | Piper Jaffray       |

# Market Information

## Key Interest Rates and Prices

|  | This Week<br>2/23/2018 | Last Week<br>2/16/2018 | Last Month<br>1/26/2018 | Last Year<br>2/24/2017 |
|--|------------------------|------------------------|-------------------------|------------------------|
| Federal Funds Rate                             | 1.50                   | 1.50                   | 1.50                    | 0.75                   |
| Prime Rate                                     | 4.50                   | 4.50                   | 4.50                    | 3.75                   |
| Treasury - 2 yr                                | 2.23                   | 2.19                   | 2.12                    | 1.14                   |
| Treasury - 10 yr                               | 2.84                   | 2.87                   | 2.66                    | 2.31                   |
| LIBOR (1 month)                                | 1.57                   | 1.57                   | 1.57                    | 0.78                   |
| LIBOR (3 month)                                | 1.74                   | 1.74                   | 1.74                    | 1.05                   |
| SIFMA  | 1.09                   | 1.00                   | 1.16                    | 0.64                   |
| SIFMA/1 M LIBOR %                              | 69.6                   | 63.8                   | 74.0                    | 82.0                   |
| B.B. 20 Bond Index <sup>1</sup>                | 3.86                   | 3.84                   | 3.59                    | 3.92                   |
| B.B. Rev. Index <sup>2</sup>                   | 4.35                   | 4.33                   | 4.08                    | 4.08                   |
| 30-Day Visible Supply <sup>3</sup>             | 8.3 B                  | 7.0 B                  | 7.1 B                   | 9.9 B                  |
| 10-Year AAA MMD <sup>4</sup>                   | 2.45                   | 2.46                   | 2.23                    | 2.28                   |
| 10-Year AAA MMD Ratio to Treasury <sup>4</sup> | 86.3                   | 85.6                   | 83.8                    | 98.6                   |
| 30-Year Treasury                               | 3.13                   | 3.13                   | 2.91                    | 2.95                   |
| 30-Year AAA MMD <sup>4</sup>                   | 3.03                   | 3.02                   | 2.81                    | 3.04                   |

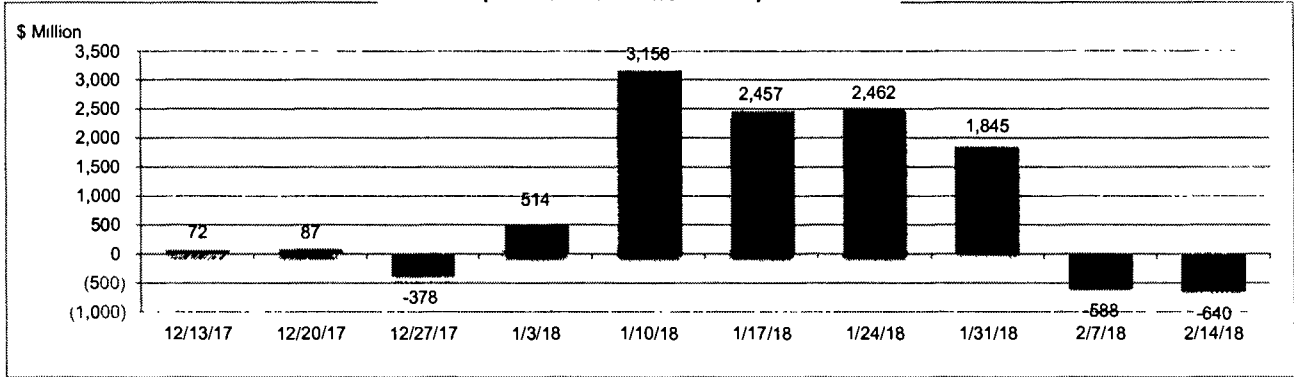
<sup>1</sup> Represents an estimation of the yield on a portfolio of 20 general obligation bonds that matures in 20 years with a composite AA rating.

<sup>2</sup> Represents an estimation of the yield that would be offered on 30-yr revenue bonds. The index is comprised of 25 issuers that cover a broad range of type of issues and vary in ratings.

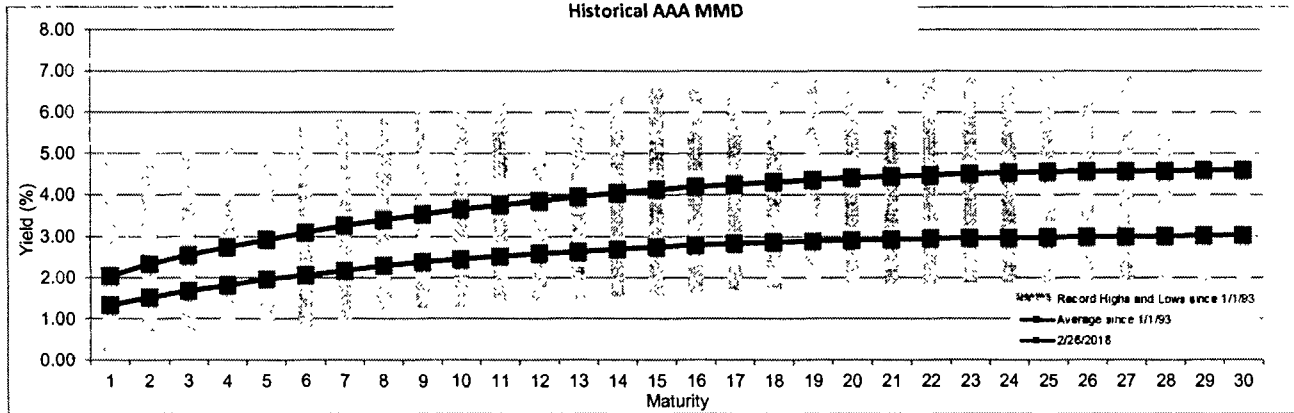
<sup>3</sup> The total dollar volume of municipal securities expected to be offered over the next 30 days.

<sup>4</sup> Represents the benchmark yield for high grade municipal issues, based on a natural "AAA" rated general obligation bond issue. "AAA" MMD is the benchmark for pricing of all tax-exempt municipal issues

### Municipal Bond Fund Estimated Weekly Net Flows



### Historical AAA MMD



### Weekly Muni Market Commentary by Jock Wright – Raymond James (2/26/2018)

Volatility continued last week in the fixed income markets, after hitting a 4 year yield high of a 2.95% on Wednesday on the UST Ten year, the market rallied at weeks end as buyers came in to support the market and the ten year ended the week at a 2.86%. Equities continued to recover and some sense of stability returned to other markets. FOMC minutes released last week still point to a hawkish FED that is closely monitoring inflation, but expected to tighten 3 times this year. This week will feature New Fed Chairman Jerome Powell's monetary policy testimony. Market participants will be closely analyzing his comments for signs of future rate increases. It is expected that he will present the markets with a calming influence regarding the FED's stance of future monetary policy. Other important economic releases this week will be Durable Goods Orders, Consumer Confidence and PCE release later in the week.

#### Economic Releases and Events This Week:

- Monday: Chicago FED, New Home Sales
- Tuesday: Powell Monetary Policy(House), Durable Goods Orders, Advance Economic Indicators, Consumer Confidence
- Wednesday: Real GDP(2nd Estimate), Chicago Business Barometer, Pending Home Sales
- Thursday: Jobless Claims, Personal Income and Spending, PCE Price Index, Powell Monetary Policy Testimony(Senate), ISM Mfg. Index, Motor Vehicle Sales
- Friday: UM Consumer Sentiment

Mutual funds and retail investors saw better flows last week and deals that were in the market saw mixed results, but the overall tone could be described as slightly "firmer". Dealer inventories and bid sell lists continue to hamper our market's ability to rally. This week's lighter calendar should be met with decent demand in the primary. For the week MMD was lower in yield by (1) bps in five years, by (1) bps in ten years and higher by +1 bps in thirty years.

This week's primary muni supply breakdown of the \$5bln calendar is: \$3.4bln being negotiated and \$1.6bln via competitive offerings.

U.S. municipal bond funds reported \$347.4 million of net inflows in the week ended February 21st, compared with \$443.4mln of outflows in the previous week, according to data released by Lipper on Thursday. The four-week moving average remained positive at \$203.7mln. High-yield muni bond funds reported outflows of \$5.1 million, compared with inflows of \$20.1 million in the previous week. Source: Reuters/Lipper

### Fixed Income Market Commentary by Kevin Giddis – Raymond James (2/27/2018)

The Treasury market is trading lower this morning as Fed Chair Jay Powell's Congressional Testimony was released. He goes before the House Financial Services Committee in about an hour or so, but there were several tasty tidbits in this release that have caused the market to react. Not in any order, but he was quoted as saying that the Fed sees "further gradual rate hikes," and that "some of the headwinds facing the U.S. economy are now the tailwinds." He also stated that "the FOMC sees risks as roughly balanced," and "the U.S. economic outlook is strong." Yada, yada, yada! The next market event will occur when he begins to answer the questions from Congress. The takeaway from this is that Jay Powell doesn't seem too worried about the Fed "missing it" when it comes to its monetary policy or its tightening strategy. He also doesn't appear to be the type of Fed Chair to elaborate too much either. He reminds me of the Joe Friday, "just the facts ma'am," sort of guy. This uncertainty is likely to be exposed over the next two days, and the market will adjust, just like it has for all of the other Fed Chairs in the past. It does appear to be a lock that the FOMC will raise rates next month. It also seems like they believe that they will raise rates three times in 2018. Bonds have settled down and the yield curve (2's to 10's) is roughly where it started at 64 basis points. The equity market seems to be ok with it as well. As much a Goldilocks 4 page release as one could possibly expect. The key will be when the other shoe drops, will it be consistent with what we have seen, or will Fed Chair Powell go off script and say something that the markets weren't expecting. On the economic front, Durable Goods Orders for January fell 3.7% after rising 2.6% in December. Orders less the volatile transportation component rose 0.7%. So with little left to say, I would think that Jay Powell will do his best to keep the markets calm, help the dollar, and offer a glimpse of how the next couple of years will look in his eyes as the Chairman of the Federal Reserve. While there are plenty of signs that the economy is still growing, we may have to wait a couple more days to gauge the second round of inflation data. Thursday's release of the PCE Core will be closely watched and along with Powell's testimony, could be a market mover.

**Comparable Tax-Exempt Transactions**

**Issuer:** The City of New York  
**Description:** General Obligation Bonds, Fiscal 2018, Subseries E-1  
**Par:** \$700,000,000  
**Pricing Date:** 2/22/2018  
**Ratings:** Aa2/AA/AA  
**Call Date:** 3/1/2028  
**Underwriter:** Jefferies  
**Insured:** No

| <b>Maturity (Mar 1)</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-------------------------|----------------|---------------|--------------|---------------|
| 2019                    | -              | -             | -            | -             |
| 2020                    | 1.53%          | +0.05         | 1.58%        | 5.000%        |
| 2021                    | 1.68%          | +0.07         | 1.75%        | 5.000%        |
| 2022                    | 1.82%          | +0.08         | 1.90%        | 5.000%        |
| 2023                    | -              | -             | -            | -             |
| 2024                    | -              | -             | -            | -             |
| 2025                    | -              | -             | -            | -             |
| 2026                    | 2.32%          | +0.22         | 2.54%        | 5.000%        |
| 2027                    | 2.41%          | +0.22         | 2.63%        | 5.000%        |
| 2028                    | -              | -             | -            | -             |
| 2029                    | -              | -             | -            | -             |
| 2030                    | -              | -             | -            | -             |
| 2031                    | 2.67%          | +0.30         | 2.97%        | 5.000%        |
| 2032                    | 2.72%          | +0.30         | 3.02%        | 5.000%        |
| 2033                    | 2.77%          | +0.58         | 3.35%        | 3.250%        |
| 2034                    | 2.81%          | +0.22         | 3.03%        | 5.250%        |
| 2035                    | 2.85%          | +0.23         | 3.08%        | 5.250%        |
| 2036                    | 2.88%          | +0.64         | 3.52%        | 4.000%        |
| 2037                    | 2.91%          | +0.35         | 3.26%        | 5.000%        |
| 2038                    | 2.93%          | +0.35         | 3.28%        | 5.000%        |
| 2039                    | 2.95%          | +0.35         | 3.30%        | 5.000%        |
| 2040                    | 2.97%          | +0.35         | 3.32%        | 5.000%        |
| 2041                    | 2.98%          | +0.35         | 3.33%        | 5.000%        |
| 2042                    | 2.99%          | +0.68         | 3.67%        | 4.000%        |
| 2043                    | -              | -             | -            | -             |
| 2044                    | 3.01%          | +0.35         | 3.36%        | 5.000%        |
| 2045                    | 3.02%          | +0.68         | 3.70%        | 3.625%        |
| 2046                    | -              | -             | -            | -             |
| 2047                    | -              | -             | -            | -             |
| 2048                    | -              | -             | -            | -             |

**Issuer:** Monroe County Industrial Development Corporation  
**Description:** Revenue Bonds, Series 2017CD (University of Rochester)  
**Par:** \$134,280,000  
**Pricing Date:** 12/4/2017  
**Ratings:** Aa3/AA-/AA-  
**Call Date:** 7/1/2027  
**Underwriter:** J.P. Morgan  
**Insured:** No

| <b>Maturity (Jul 1)</b> | <b>AAA MMD</b> | <b>Spread</b> | <b>Yield</b> | <b>Coupon</b> |
|-------------------------|----------------|---------------|--------------|---------------|
| 2019                    | -              | -             | -            | -             |
| 2020                    | -              | -             | -            | -             |
| 2021                    | -              | -             | -            | -             |
| 2022                    | -              | -             | -            | -             |
| 2023                    | 1.76%          | +0.15         | 1.91%        | 5.000%        |
| 2024                    | 1.82%          | +0.20         | 2.02%        | 5.000%        |
| 2025                    | 1.88%          | +0.16         | 2.04%        | 5.000%        |
| 2026                    | 1.95%          | +0.18         | 2.13%        | 5.000%        |
| 2027                    | 2.03%          | +0.18         | 2.21%        | 5.000%        |
| 2028                    | 2.10%          | +0.20         | 2.30%        | 5.000%        |
| 2029                    | 2.17%          | +0.22         | 2.39%        | 5.000%        |
| 2030                    | 2.23%          | +0.24         | 2.47%        | 5.000%        |
| 2031                    | 2.29%          | +0.23         | 2.52%        | 5.000%        |
| 2032                    | 2.34%          | +0.55         | 2.89%        | 4.000%        |
| 2033                    | 2.39%          | +0.55         | 2.94%        | 4.000%        |
| 2034                    | 2.44%          | +0.55         | 2.99%        | 4.000%        |
| 2035                    | 2.49%          | +0.52         | 3.01%        | 4.000%        |
| 2036                    | 2.52%          | +0.52         | 3.04%        | 4.000%        |
| 2037                    | 2.55%          | +0.52         | 3.07%        | 4.000%        |
| 2038                    | -              | -             | -            | -             |
| 2039                    | -              | -             | -            | -             |
| 2040                    | -              | -             | -            | -             |
| 2041                    | -              | -             | -            | -             |
| 2042                    | -              | -             | -            | -             |
| 2043                    | 2.62%          | +0.59         | 3.21%        | 4.000%        |
| 2044                    | -              | -             | -            | -             |
| 2045                    | -              | -             | -            | -             |
| 2046                    | -              | -             | -            | -             |
| 2047                    | -              | -             | -            | -             |
| 2048                    | -              | -             | -            | -             |

### Comparable Tax-Exempt Transactions

**Issuer:** County of Monroe Industrial Development Agency  
**Description:** School Facility Revenue Bonds, Series 2017  
**Par:** \$123,670,000  
**Pricing Date:** 7/18/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Citigroup  
**Insured:** No

| Maturity<br>(May 1) | AAA MMD | Spread | Yield | Coupon |
|---------------------|---------|--------|-------|--------|
| 2019                | 0.98%   | -0.02  | 0.96% | 5.000% |
| 2020                | 1.07%   | +0.03  | 1.10% | 5.000% |
| 2021                | 1.16%   | +0.06  | 1.22% | 5.000% |
| 2022                | 1.25%   | +0.06  | 1.31% | 5.000% |
| 2023                | 1.38%   | +0.07  | 1.45% | 5.000% |
| 2024                | 1.49%   | +0.12  | 1.61% | 5.000% |
| 2025                | 1.63%   | +0.14  | 1.77% | 5.000% |
| 2026                | 1.77%   | +0.20  | 1.97% | 5.000% |
| 2027                | 1.92%   | +0.19  | 2.11% | 5.000% |
| 2028                | 2.03%   | +0.24  | 2.27% | 5.000% |
| 2029                | 2.13%   | +0.26  | 2.39% | 5.000% |
| 2030                | 2.24%   | +0.24  | 2.48% | 5.000% |
| 2031                | 2.32%   | +0.24  | 2.56% | 5.000% |
| 2032                | 2.39%   | +0.24  | 2.63% | 5.000% |
| 2033                | 2.45%   | +0.24  | 2.69% | 5.000% |
| 2034                | -       | -      | -     | -      |
| 2035                | -       | -      | -     | -      |
| 2036                | -       | -      | -     | -      |
| 2037                | -       | -      | -     | -      |
| 2038                | -       | -      | -     | -      |
| 2039                | -       | -      | -     | -      |
| 2040                | -       | -      | -     | -      |
| 2041                | -       | -      | -     | -      |
| 2042                | -       | -      | -     | -      |
| 2043                | -       | -      | -     | -      |
| 2044                | -       | -      | -     | -      |
| 2045                | -       | -      | -     | -      |
| 2046                | -       | -      | -     | -      |
| 2047                | -       | -      | -     | -      |
| 2048                | -       | -      | -     | -      |

**Issuer:** City of Syracuse Industrial Development Agency  
**Description:** School Facility Revenue Refunding Bonds, Series 2017  
**Par:** \$29,260,000  
**Pricing Date:** 4/5/2017  
**Ratings:** Aa2/AA/AA  
**Call Date:** 5/1/2027  
**Underwriter:** Raymond James  
**Insured:** No

| Maturity<br>(May 1) | AAA MMD | Spread | Yield | Coupon |
|---------------------|---------|--------|-------|--------|
| 2019                | 1.03%   | +0.03  | 1.06% | 4.000% |
| 2020                | 1.20%   | +0.09  | 1.29% | 4.000% |
| 2021                | 1.35%   | +0.10  | 1.45% | 4.000% |
| 2022                | 1.55%   | +0.07  | 1.62% | 5.000% |
| 2023                | 1.71%   | +0.10  | 1.81% | 5.000% |
| 2024                | 1.86%   | +0.10  | 1.96% | 5.000% |
| 2025                | 2.00%   | +0.16  | 2.16% | 5.000% |
| 2026                | 2.12%   | +0.15  | 2.27% | 5.000% |
| 2027                | 2.21%   | +0.17  | 2.38% | 5.000% |
| 2028                | 2.30%   | +0.30  | 2.60% | 4.000% |
| 2029                | 2.40%   | +0.35  | 2.75% | 4.000% |
| 2030                | 2.50%   | +0.50  | 3.00% | 3.000% |
| 2031                | -       | -      | -     | -      |
| 2032                | -       | -      | -     | -      |
| 2033                | -       | -      | -     | -      |
| 2034                | -       | -      | -     | -      |
| 2035                | -       | -      | -     | -      |
| 2036                | -       | -      | -     | -      |
| 2037                | -       | -      | -     | -      |
| 2038                | -       | -      | -     | -      |
| 2039                | -       | -      | -     | -      |
| 2040                | -       | -      | -     | -      |
| 2041                | -       | -      | -     | -      |
| 2042                | -       | -      | -     | -      |
| 2043                | -       | -      | -     | -      |
| 2044                | -       | -      | -     | -      |
| 2045                | -       | -      | -     | -      |
| 2046                | -       | -      | -     | -      |
| 2047                | -       | -      | -     | -      |
| 2048                | -       | -      | -     | -      |

## Bond Holder Comparison

### Holders of JSCB Bonds

| Holders of Erie IDA (Buffalo JSCB)          |            | Holders of Monroe IDA (Rochester JSCB)         |            | Holders of Syracuse IDA (Syracuse JSCB)      |            |
|---|------------|--|------------|--|------------|
| Firm Name                                   | Par Amount | Firm Name                                      | Par Amount | Firm Name                                    | Par Amount |
| Franklin Templeton Investments              | 67,040     | The Vanguard Group, Inc                        | 29,700     | American Money Management Corporation        | 3,500      |
| The Vanguard Group, Inc                     | 44,480     | Franklin Templeton Investments                 | 15,820     | Selective Insurance Group, Inc               | 3,040      |
| Lord, Abbett & Co LLC                       | 25,735     | American Money Management Corporation          | 14,000     | Savings Bank Life Insurance Company          | 3,000      |
| Capital Research & Management Co            | 22,340     | TIAA Global Asset Management                   | 12,000     | Columbian Mutual Life Insurance Company      | 2,990      |
| Loews Corporation (Investments)             | 20,180     | OppenheimerFunds Inc (Rochester)               | 11,520     | Foresters Investment Management Company      | 2,600      |
| Putnam Investment Management LLC            | 16,500     | Nuveen Asset Management LLC                    | 7,875      | Thornburg Investment Management Inc          | 2,150      |
| Nuveen Asset Management LLC                 | 16,200     | Fidelity Management & Research Company         | 7,705      | Loomis, Sayles & Company LP (San Francisco)  | 1,738      |
| Thornburg Investment Management Inc         | 14,000     | J.P. Morgan Investment Management              | 5,753      | Standish Mellon Asset Management Company LLC | 1,738      |
| OppenheimerFunds Inc (Rochester)            | 10,625     | BlackRock Investment Management LLC            | 5,280      | Putnam Investment Management LLC             | 1,000      |
| Goldman Sachs Asset Management (US)         | 9,000      | Farm Bureau Life Insurance Company             | 5,115      | Federated Investment Management Company      | 900        |
| BlackRock Investment Management LLC         | 8,990      | New York Life Investment Management LLC        | 4,600      | Mutual Beneficial Association Inc            | 250        |
| Federated Investment Management Company     | 8,100      | Goldman Sachs Asset Management (US)            | 4,000      | Wilmington Trust Investment Advisors Inc     | 100        |
| AllianceBernstein LP                        | 5,800      | Western Asset Management Co                    | 4,000      | The Order of the Sons of Herman              | 40         |
| Kentucky Farm Bureau                        | 5,000      | Columbian Mutual Life Insurance Company        | 3,750      |  |            |
| Bessemer Trust Company, N.A.                | 5,000      | PIMCO (US)                                     | 3,700      |  |            |
| Columbia Management Investment Advisers LLC | 4,940      | MFS Investment Management                      | 2,000      |  |            |
| T Rowe Price Associates Inc                 | 4,500      | MacKay Shields LLC                             | 1,950      |  |            |
| Standish Mellon Asset Management Company    | 3,478      | Guggenheim Partners Asset Management           | 1,950      |  |            |
| Deutsche Asset Management Americas          | 3,000      | New York Life Investment Management LLC        | 1,950      |  |            |
| Donegal Mutual Insurance Company            | 3,000      | Standish Mellon Asset Management Company       | 1,690      |  |            |
| American Money Management Corporation       | 3,000      | United Farm Family Life Insurance Company      | 1,000      |  |            |
| Neuberger Berman, LLC                       | 2,330      | Capital Research & Management Co               | 1,000      |  |            |
| USAA Investment Management Company          | 2,250      | New York Central Mutual Fire Insurance Company | 1,000      |  |            |
| Wilmington Trust Investment Management      | 2,000      | JP Morgan Asset Management                     | 743        |  |            |
| Loomis, Sayles & Company LP (San Francisco) | 1,978      | Van Eck Associates Corporation                 | 255        |  |            |

Source: Emaxx (Represents investors who reported holdings to Emaxx. Not all holders may be listed.)

Blue indicates holders who do not hold Syracuse IDA



**Orders of the City of Syracuse IDA - School Facility Revenue Refunding Bonds, Series 2017 Issue**

| <b>Account</b>                      | <b>Retail</b>   | <b>Institutional</b> | <b>Total</b>      |
|-------------------------------------|-----------------|----------------------|-------------------|
| Bessemer Trust Company N.A.         | -               | \$ 8,860             | \$ 8,860          |
| Blackrock Financial Management Sma  | -               | 6,815                | 6,815             |
| Boston Company                      | -               | 9,620                | 9,620             |
| Boyd Watterson Asset Management     | -               | 950                  | 950               |
| Carret Asset Management Llc         | -               | 50                   | 50                |
| Chilton Financial                   | -               | 7,510                | 7,510             |
| Cmap                                | -               | 11,695               | 11,695            |
| Columbia Management Advisors        | -               | 3,105                | 3,105             |
| Evercore Wealth Managment Llc       | -               | 6,135                | 6,135             |
| Fiduciary Trust Company             | -               | 1,175                | 1,175             |
| First Republic Bank                 | -               | 6,555                | 6,555             |
| Goldman Sachs Asset Management      | -               | 13,955               | 13,955            |
| Individuals                         | \$ 2,100        | -                    | 2,100             |
| Jp Morgan Asset Management          | -               | 13,815               | 13,815            |
| Lord Abbett                         | -               | 15,740               | 15,740            |
| Neuberger Berman (Broker To Broker) | -               | 7,630                | 7,630             |
| Neuberger Berman Mgmt Inc           | -               | 22,015               | 22,015            |
| Northern Trust                      | -               | 850                  | 850               |
| Nuveen Asset Management             | -               | 6,285                | 6,285             |
| Oppenheimer Asset Management Inc.   | -               | 1,000                | 1,000             |
| Samson Capital Advisors             | -               | 19,655               | 19,655            |
| Spring Lake Asset Management        | -               | 2,880                | 2,880             |
| Stock                               | -               | -                    | 1,040             |
| Tiaa-Cref Investment Management     | -               | 5,000                | 5,000             |
| Us Trust Corporation                | -               | 2,900                | 2,900             |
| Wall Street Access                  | -               | 1,000                | 1,000             |
| Wells Capital                       | -               | 1,000                | 1,000             |
| Western Asset Management Funds      | -               | 3,365                | 3,365             |
| William Jones & Associates          | -               | 2,000                | 2,000             |
| Wilmington Trust Corp               | -               | 9,625                | 9,625             |
| <b>Total</b>                        | <b>\$ 2,100</b> | <b>\$ 191,185</b>    | <b>\$ 194,325</b> |

Pricing Worksheet

Pre-Pricing Scale (2/28/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  | 1.54       | .05              | 1.59     | 5.000     |
| 2021  | 1.69       | .06              | 1.75     | 5.000     |
| 2022  | 1.84       | .08              | 1.92     | 5.000     |
| 2023  | 1.99       | .09              | 2.08     | 5.000     |
| 2024  | 2.10       | .10              | 2.20     | 5.000     |
| 2025  | 2.22       | .12              | 2.34     | 5.000     |
| 2026  | 2.34       | .13              | 2.47     | 5.000     |
| 2027  | 2.43       | .15              | 2.58     | 5.000     |
| 2028  | 2.50       | .16              | 2.66     | 5.000     |
| 2029  | 2.57       | .17              | 2.74     | 5.000     |
| 2030  | 2.63       | .18              | 2.81     | 5.000     |
| 2031  | 2.68       | .18              | 2.86     | 5.000     |
| 2032  | 2.72       | .18              | 2.90     | 5.000     |
| 2033  | 2.77       | .18              | 2.95     | 5.000     |
| 2034  | 2.82       | .53              | 3.35     | 3.250     |

Pricing Scale (3/1/18) - AM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  |            |                  |          |           |
| 2021  |            |                  |          |           |
| 2022  |            |                  |          |           |
| 2023  |            |                  |          |           |
| 2024  |            |                  |          |           |
| 2025  |            |                  |          |           |
| 2026  |            |                  |          |           |
| 2027  |            |                  |          |           |
| 2028  |            |                  |          |           |
| 2029  |            |                  |          |           |
| 2030  |            |                  |          |           |
| 2031  |            |                  |          |           |
| 2032  |            |                  |          |           |
| 2033  |            |                  |          |           |
| 2034  |            |                  |          |           |

Re-Pricing Scale (3/1/18) - PM

| <b>(Syracuse City School District Project) Series 2018A</b> |            |                  |          |           |
|---|------------|------------------|----------|-----------|
| May 1   | May MMD(%) | Spread to MMD(%) | Yield(%) | Coupon(%) |
| 2020  |            |                  |          |           |
| 2021  |            |                  |          |           |
| 2022  |            |                  |          |           |
| 2023  |            |                  |          |           |
| 2024  |            |                  |          |           |
| 2025  |            |                  |          |           |
| 2026  |            |                  |          |           |
| 2027  |            |                  |          |           |
| 2028  |            |                  |          |           |
| 2029  |            |                  |          |           |
| 2030  |            |                  |          |           |
| 2031  |            |                  |          |           |
| 2032  |            |                  |          |           |
| 2033  |            |                  |          |           |
| 2034  |            |                  |          |           |

## Syndicate Price Views

| May 1 | Spreads*      |     |      |         |    | Average |
|-------|---------------|-----|------|---------|----|---------|
|       | Raymond James | FTN | Loop | Ramirez |    |         |
| 2020  | 5             | 7   | 5    | 7       | 6  |         |
| 2021  | 7             | 9   | 5    | 11      | 8  |         |
| 2022  | 9             | 11  | 7    | 13      | 10 |         |
| 2023  | 10            | 13  | 8    | 15      | 12 |         |
| 2024  | 12            | 15  | 10   | 17      | 14 |         |
| 2025  | 14            | 17  | 12   | 19      | 16 |         |
| 2026  | 16            | 19  | 12   | 21      | 17 |         |
| 2027  | 18            | 20  | 15   | 22      | 19 |         |
| 2028  | 20            | 21  | 15   | 23      | 20 |         |
| 2029  | 20            | 23  | 15   | 24      | 21 |         |
| 2030  | 20            | 25  | 15   | 25      | 21 |         |
| 2031  | 20            | 25  | 15   | 25      | 21 |         |
| 2032  | 20            | 25  | 15   | 25      | 21 |         |
| 2033  | 20            | 25  | 15   | 25      | 21 |         |
| 2034  | 20            | 25  | 15   | 25      | 21 |         |

\*Price Views are based on 5% Coupons and an 8 year call.



**RAYMOND JAMES**

**Price Views Wire (2-27-18)**

RE: \$ 66,855,000\*  
 City of Syracuse Industrial Development Agency  
 School Facility Revenue Bonds  
 (Syracuse City School District Project) Series 2018A

Please use the spreads below for pre-marketing purposes, pricing is scheduled for Thursday, March 1st.

POS Link: <https://www.munios.com/munios-notice.aspx?i=5029QF1m38x>

MOODY'S: Aa2                      S&P: AA                      FITCH: AA  
                  Stable Outlook                      Stable Outlook                      Stable Outlook  
 DATED:03/15/2018    FIRST COUPON:11/01/2018  
 DUE: 05/01

| MATURITY   | I-Spread | AMOUNT* | COUPON | PRICE | ADD'L<br>TAKEDOWN<br>( Pts )   |
|------------|----------|---------|--------|-------|--|
| 05/01/2020 | +5       | 3,070M  | 5.00%  | 1.59  | 0.275<br>(Approx. \$ Price 107.104)                                  |
| 05/01/2021 | +6       | 3,225M  | 5.00%  | 1.75  | 0.275<br>(Approx. \$ Price 109.848)                                  |
| 05/01/2022 | +8       | 3,390M  | 5.00%  | 1.92  | 0.275<br>(Approx. \$ Price 112.164)                                  |
| 05/01/2023 | +9       | 3,565M  | 5.00%  | 2.08  | 0.275<br>(Approx. \$ Price 114.130)                                  |
| 05/01/2024 | +10      | 3,750M  | 5.00%  | 2.20  | 0.275<br>(Approx. \$ Price 115.967)                                  |
| 05/01/2025 | +12      | 3,940M  | 5.00%  | 2.34  | 0.275<br>(Approx. \$ Price 117.367)                                  |
| 05/01/2026 | +13      | 4,140M  | 5.00%  | 2.47  | 0.275<br>(Approx. \$ Price 118.524)                                  |
| 05/01/2027 | +15      | 4,355M  | 5.00%  | 2.58  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 117.638 Approx. YTM 2.797) |
| 05/01/2028 | +16      | 4,580M  | 5.00%  | 2.66  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 116.999 Approx. YTM 3.037) |
| 05/01/2029 | +17      | 4,810M  | 5.00%  | 2.74  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 116.364 Approx. YTM 3.237) |
| 05/01/2030 | +18      | 5,060M  | 5.00%  | 2.81  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 115.811 Approx. YTM 3.398) |
| 05/01/2031 | +18      | 5,320M  | 5.00%  | 2.86  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 115.418 Approx. YTM 3.523) |
| 05/01/2032 | +18      | 5,590M  | 5.00%  | 2.90  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 115.105 Approx. YTM 3.624) |
| 05/01/2033 | +18      | 5,880M  | 5.00%  | 2.95  | 0.275<br>(Approx. \$ Price PTC 05/01/2026 114.715 Approx. YTM 3.719) |
| 05/01/2034 | +53      | 6,180M  | 3.25%  | 3.35  | 0.275<br>(Approx. \$ Price 98.759)                                   |

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 CALL FEATURES:    Optional call in 05/01/2026 @ 100.00  
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**\*\*Bonds subject to ERP -- see page 30 of the POS\*\***

\* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Friday, March 2, 2018.

Delivery is expected on Thursday, March 15, 2018.

This issue is book entry only. This issue is clearing through DTC.

Raymond James & Associates, Inc.

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

By: Raymond James & Associates, Inc. New York, NY

New Issue Book Entry

Moody's: "Aa2"  
 Standard & Poor's: "AA"  
 Fitch: "AA"  
 (See "RATINGS" herein)

**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

**Dated: Delivery Date**

**Due: as shown on inside cover**

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Series 2018A Bonds") are being issued by the City of Syracuse Industrial Development Agency (the "Issuer") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "Indenture") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "SCSD"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "City") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "2008 Original Installment Sale Agreement"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "First Amended Agreement"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "Second Amended Agreement"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "Third Amended Agreement"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "Fourth Amended Agreement"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "Fifth Amended Agreement"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "Installment Sale Agreement" or "Agreement"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "JSCB").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("State Aid to Education"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "State"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "Depository Agreement"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "First Amendment to State Aid Depository Agreement" and together with the Depository Agreement collectively, the "State Aid Depository Agreement"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "Depository"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "State Comptroller") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespass & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 15, 2018.*

**Raymond James**

**FTN Financial Capital Markets**

**Loop Capital Markets**

**Ramirez & Co., Inc.**

Dated: March 1, 2018

\* Preliminary, subject to change

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# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's assigns enhanced Aa2 to Syracuse I.D.A., NY's Rev bonds

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Global Credit Research - 12 Jan 2018

New York, January 12, 2018 -- Moody's Investors Service has assigned a Aa2 enhanced rating to Syracuse City School District, NY's \$65.7 million School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A issued by the Syracuse Industrial Development Agency (NY).

#### RATINGS RATIONALE

The Aa2 enhanced rating is based on the New York Municipal School Aid Intercept Program which carries a Aa2 rating with a stable outlook. The program rating and outlook shadows the State of New York's long term rating of Aa1 stable. Additional consideration is given to an anticipated healthy coverage of maximum debt service from pledged revenues, given the district's high reliance on state operating aid.

#### RATING OUTLOOK

Given that no underlying rating was assigned, no outlook has been assigned.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

- Improvement in New York State's General Obligation rating

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

- Downgrade of the General Obligation rating of New York State
- Deteriorating coverage levels

#### LEGAL SECURITY

The bonds are special limited obligations of the Syracuse IDA secured by Installment purchase payments from the City of Syracuse CSD.

#### USE OF PROCEEDS

The proceeds from the Series 2018 bonds will be used to finance Phase II of the redevelopment program which consists of reconstruction, construction and rehabilitation of existing school buildings, and the acquisition of certain equipment.

#### PROFILE

The Syracuse City School District serves a student population of 19,951 in the City of Syracuse (A1 stable). The Syracuse IDA is governmental agency created by the state legislature authorized to issue the School Facility Revenue Bonds.

#### METHODOLOGY

The principal methodology used in this rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

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announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody's.com](http://www.moody's.com).

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**MOODY'S**  
INVESTORS SERVICE

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**CREDIT OPINION**

12 January 2018

**Rate this Research** >>

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# Syracuse City School District, NY

## Update to credit analysis

**Summary**

The Syracuse IDA benefits from strong intercept mechanics as described in the New York Municipal School Aid Intercept Program. The school district benefits from high state aid providing strong coverage of debt service.

**Credit strengths**

- » Coverage during the interceptable period is strong
- » Moderate increases to state aid expected going forward

**Credit challenges**

- » State aid is subject to annual appropriation and delays

**Rating outlook**

Given that no underlying rating was assigned, no outlook has been assigned.

**Factors that could lead to an upgrade**

- » Improvement in New York State's General Obligation rating.

**Factors that could lead to a downgrade**

- » Downgrade of the General Obligation rating of New York State
- » Deteriorating coverage levels

**Detailed credit considerations**
**State approved special legislation for overhaul of Syracuse CSD facilities**

In 2006, the state enabled a comprehensive redevelopment program for the CSD's construction of new schools and improvements to existing school facilities through the Syracuse Schools Act over a course of four phases expected to total nearly \$1 billion. Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013.

**Financial Operations and Coverage: Strong coverage continues; School District obligated to make installment payments to IDA**

SIDA has no taxing authority and bondholder security is derived from an installment sale agreement between the CSD and SIDA under which the CSD will make annual payments equal to the annual debt service requirement. These payments are subject to annual

appropriation by the CSD (although state aid intercept mechanics offset the risk of non-appropriation as discussed above) and state aid pledged to the bonds is subject to annual appropriation by the state.

However, Moody's fully anticipates that state aid, which totaled \$318 million in fiscal 2017 compared to projected maximum annual debt service of \$8.5 million, will continue to be made given the fact that the CSD is the one of the largest school districts in New York State and relies on state aid for approximately 80% of its operating revenue.

State aid to the CSD continues to increase, and fiscal 2018 state aid is projected at \$332 million, providing strong provided ample coverage (39 times) of projected maximum annual debt service (MADS). Coverage during the four-month collection interceptable period was healthy at 21.7 times on a cash flow basis. Disbursements are subject to change and delay in the event of state cash flow limitations. However, Moody's believes that these coverage levels provide adequate cushion to mitigate any unforeseen pressure on the state budget. The July 15th state aid payment certificate can be modified subsequently in the event state cash flow disbursements are altered. Although there is no additional bonds test, given planned issuance only for projects approved for state building aid reimbursement (currently 98%), Moody's expects state aid would increase commensurate with additional issuance, and debt service coverage will remain strong. Projected total state aid for fiscal 2018 increases again to \$332 million total and \$184 million during the interceptable period.

#### **Strong Intercept Mechanics**

All state aid (state building and operating aid) will flow directly to the State Aid Depository Fund. Each July 15th, the CSD will provide to the trustee a "state aid payment certificate" which will delineate the percent of debt service to be deducted from state aid during the collection period (the aid-rich period between December 1st and March 31st, during which time approximately 60% of annual state aid is typically received). Excess aid will be forwarded to the CSD General Fund monthly after funding of the Bond Fund and any deficiencies in prior series' DSRFs. In the event state aid is insufficient to fund that month's deposit, the difference will be added to the following month's required segregation such that by March 31st, the May 1st principal and interest and the November 1st interest payments will be fully segregated.

#### **Debt and Legal Security**

Each issuance under this program is separately secured and enjoys a parity lien on state aid receipts of the district. As with past series, there is no additional bonds test.

Given the fact that this is an installment sale agreement between the SIDA and the CSD, and is supported predominantly by nonproperty tax sources, the debt is not legal indebtedness of the City of Syracuse (A1 Stable) and is not factored into its legal- and Moody's-calculated adjusted debt burden.

#### **COMPETING CLAIMS ON STATE AID REVENUE DON'T MATERIALLY DILUTE COVERAGE**

While competing claims on state aid exist, these will not materially dilute debt service coverage. Only Revenue Anticipation Notes (RANs) issued by the city on behalf of the CSD have a priority claim on state aid, which could dilute coverage in a worst case scenario, should a RAN borrowing require segregation as early as March. The city issues revenue anticipation notes each year on behalf of the CSD.

The city issued \$51.8 million in RANs on behalf of the CSD in October of 2017. The notes are payable on October 5, 2017. The city anticipates an additional cash flow borrowing on behalf of the CSD in the fall of 2018. Over the past five fiscal years, Syracuse has issued an average of \$53.6 million in RANs annually for the SCSD.

Declining enrollment or alteration of reimbursement rates and/or timing of payments by New York State could also cause coverage levels to fall. However, the CSD reports that general population declines are offset by growing enrollment of refugee students. Enrollment has grown from 19,713 in 2012 to 20,136 in 2018.

#### **DEBT-RELATED DERIVATIVES**

There is no exposure to debt-related derivatives

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

**Management and Governance**

Despite reductions in reliance on reserves and out-year budget gaps, city management will be challenged to achieve balance over the near-term.

New York School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New York School Districts operate within a state-imposed property tax cap, which limits their ability to increase their operating levy by the lesser of 2% or CPI. This cap cannot be overridden at the local level, but can be overridden with 60% voter approval. Unpredictable revenue fluctuations tend to be low, or less than 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. New York State has public sector unions and the additional constraint of the Triborough Amendment, which limits the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, or between 5-10% annually.

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**Summary:**

## Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

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### Table Of Contents

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Rationale

Outlook



## Summary:

# Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

## Credit Profile

US\$65.675 mil sch facility rev bnds (Syracuse City Sch Dist Proj) ser 2018A due 05/01/2035

*Long Term Rating*

AA/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA' rating to the Syracuse Industrial Development Agency, N.Y.'s series 2018A school facility revenue refunding. At the same time, we affirmed our 'AA' rating on the agency's series 2010, 2011A, 2011B, and 2017A general obligation (GO) debt. The outlook for all issues is stable.

The rating reflects what we view as:

- The strength of the statutory direct-pay intercept of state aid for education by the New York state comptroller, which is structured to be sent directly to the bond trustee in advance of debt service due dates to pay debt service;
- A established funding structure that allows for the timely intercept of state aid and payment of principal and interest on the bonds outstanding even if the school district fails to appropriate funds;
- The state's consistent and strong oversight of school districts with a long history of state support, especially in distressed situations; and
- Strong maximum annual debt service (MADS) coverage.

We typically rate intercept or withholding programs that meet certain requirements at a level one notch off of our GO debt rating on the state--on par with the state appropriation rating--reflecting the appropriation nature of the intercept or withholding mechanism. Accordingly, if we change the state GO rating, we would likely change the program rating. In our view, programs such as the one in place for Syracuse City School District, that allow for the full and timely payment of debt service from state aid with strong state oversight, qualify for the enhanced rating. Bond proceeds will be used for financing a portion of the costs of Phase II of the school redevelopment program, which consist of design and/or reconstruction, construction, and rehabilitation of existing school buildings.

The New York State Legislature has authorized the bonds under the Syracuse Schools Act of 2006. Under the State Aid Depository Agreement, the City and the Syracuse City School District instructed the state comptroller to pay all state building aid and operating aid for Syracuse city school districts to the state aid depository fund held by the depository bank. Under the indenture, deposits of state aid to pay debt service begin on Dec. 1, with sufficient funds set aside by March 31 to pay principal and interest payments on the subsequent May 1 and Nov. 1. Amounts in the state aid depository fund will be transferred to the bond fund held by the bond trustee to pay scheduled debt service.

MADS on the agency's school program bonds, including series 2010, 2011A, 2011B, 2017A, and the new 2018A series, is \$17.76 million and due in 2022. In the fiscal year ended June 30, 2017, the Syracuse City School District estimates it

received \$318.8 million in total state aid, which is consistent with the high state aid provided in previous years. For the November through April period, the district received about \$181.6 million in state aid, with a strong 10.2x MADS coverage. Fiscal 2017's total state aid provided MADS coverage of 17.9x for the program. The debt is amortized through 2035.

The structure of the program, in which state aid in the current state fiscal year funds debt service payments for the subsequent year, and historically strong coverage, provide adequate protection against delayed passage of state budgets.

## Outlook

The stable outlook reflects the current outlook on the state of New York's GO debt and the strength of state appropriations for New York education. We would expect the rating to change if our rating on New York State's GO debt changes

### Ratings Detail (As Of January 12, 2018)

|  |                 |          |
|--|-----------------|----------|
| Syracuse Indl Dev Agy sch fac rev bnds (Syracuse City Sch Dist Proj) |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy sch fac rfdg rev bnds                          |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy GO (AGM)                                       |                 |          |
| <i>Unenhanced Rating</i>   | AA(SPUR)/Stable | Affirmed |

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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# FitchRatings

## Fitch Rates Syracuse IDA School Facility (NY) Rev Bonds 'AA'; Outlook Stable

Fitch Ratings-New York-11 January 2018: Fitch Ratings has assigned a 'AA' rating to the following Syracuse Industrial Development Agency, NY (IDA) revenue bonds:

--\$65.7 million school facility revenue bonds (Syracuse city school district project), series 2018A.

In addition, Fitch has affirmed the 'AA' ratings on approximately \$32 million of school facility revenue bonds outstanding (Syracuse city school district project), series 2008A.

The Rating Outlook is Stable.

### SECURITY

The bonds are secured solely by state aid revenues annually appropriated to the Syracuse City School District by the state of New York and remitted to the district from the period Dec. 1 through March 31 (the collection period).

In the event that the district fails to appropriate state aid sufficient to cover debt service payments by Nov. 10 (for debt service payments scheduled for the following May 1 and Nov. 1), state aid sufficient to cover principal and interest will be intercepted by the state and forwarded to the trustee. As intercepted aid is not subject to appropriation by the district, this provision effectively removes the risk to bondholders of non-appropriation by the district.

There is no debt service reserve securing the 2018A bonds.

### KEY RATING DRIVERS

**RATING BASED ON STATE INTERCEPT:** The 'AA' rating is based on the state's obligation to intercept the district's state aid in a timely manner as needed to pay debt service. Administrative, structural and legal protections in place for the bonds provide credit enhancement for this debt at a level equal to one notch below New York State's 'AA+' Issuer Default Rating (IDR). The 'AA' rating does not reflect the district's underlying credit quality.

**STATE AID SET-ASIDE:** Bondholders benefit from remittance of state aid to a depository fund from which debt service is set aside before flowing to the district. In the event of a failure by the district to certify that sufficient funds have been set aside to cover upcoming debt service, state aid is remitted directly to the trustee, providing for pre-default payment.

**STRONG COVERAGE:** Interceptable state aid provides strong coverage of maximum annual debt service (MADS) on the current issue and on total authorized borrowing. Fitch expects coverage levels to remain strong despite potential modest declines in the coming years due to the district's extensive capital and borrowing plans, competition from charter schools and pressured enrolment.

### RATING SENSITIVITIES

**CHANGE IN NEW YORK'S IDR:** The rating is sensitive to a change in the state's IDR, to which these bonds are linked.

**MATERIAL WEAKENING IN COVERAGE LEVELS:** The rating assumes continued strong coverage of debt service by interceptible state aid. A material decline in future coverage could pressure the rating.

### CREDIT PROFILE

The New York State legislature Chapter 58 Pt. A4 of the Laws of 2006 (the intercept act), authorized the bonds to encourage the city and district to renovate its public schools. Capital improvement spending under phase one totaled \$145 million. The second phase was authorized by the state legislature in 2013 and authorized up to \$300 million in additional capital improvements. The district's capital and financial plan for phase two is broken into two sets of projects; the first set has been approved by the New York State Dept. of Education and includes six projects with a seventh in the design phase. The district estimates its total capital improvement costs over all phases of its modernization efforts at approximately \$1.2 billion, the majority of which is expected to be financed under the current borrowing program.

The school district is governed by an independently elected board of education. The city of Syracuse (A/Stable) city council approves the district's budget and levies taxes on its behalf, but does not otherwise exercise direct control over the district.

## STRONG COVERAGE BY STATE AID

State aid is remitted monthly, but unevenly, to the district during the course of the fiscal year. Between Dec. 1 and March 31, the district's state-aid moneys are remitted to a state-aid depository fund held outside the district. Funds for the payment of upcoming debt service are set aside and the remaining funds are forwarded to the district to cover operations.

In the event the district fails to certify to the trustee by Nov. 10 that it has set aside sufficient moneys to cover upcoming debt service, the trustee will notify the state comptroller. The comptroller will intercept pending state aid receipts destined for the district and remit such moneys immediately (between Nov. 15 and April 30) to the trustee. The intercept mechanism ensures that the trustee has sufficient funds on hand to cover debt service well in advance of the payment dates.

Fitch's 'AA' rating is based on the intercept mechanism which, if triggered, would take into account senior claims. Approximately 55% of interceptable state aid - \$184 million out of \$332 million in total fiscal 2018 state aid - will be remitted during the collection period. Coverage during the collection period from state aid is strong at an estimated 10.4x MADS for fiscal 2018. Coverage from all state aid appropriated during the fiscal year is an estimated 18.7x MADS. When collection-period state aid is considered versus MADS for the bonds and the district's senior debt obligations combined, coverage is still robust at an estimated 6.3x MADS.

Future building modernization projects will in all likelihood be supported by state building aid, which has historically covered about 80% of project costs. If that continues to be the case, Fitch expects coverage of debt service by state aid to remain strong.

## SENIOR LIEN RISKS TO INTERCEPT COVERAGE

Interceptable aid could be diminished due to various senior and parity claims to the district's state aid for education, such as late charter school payments by the district that have a senior claim to state aid funds.

Furthermore, the district has approximately \$35 million of outstanding general obligation (GO) debt that is subject to a post-default state aid intercept; senior GO bond claims on state aid resources could marginally diminish coverage. The intercept of funds to cure a GO default is senior to the regular payments on the school facility revenue bonds. However, if the intercept for the revenue bonds is also triggered, the defaulted GOs and the rated bonds would become parity obligations under the intercept act. Fitch does not believe the lien provisions for competing state aid claims materially affect the strength of debt service coverage.

## RISK OF LATE STATE BUDGET MITIGATED BY COLLECTION PERIOD

Fitch believes that the timeframe of the collection period mitigates risks associated with the possibility of late state-budget adoption, as the state's fiscal year begins on April 1. The collection period does not begin until Dec. 1 - eight months into the state's fiscal year. In the past, the state was up to 4 1/2 months late in adopting a budget; however, recent budget adoption has been on time. Fitch believes the risk of potential delays in state aid payments during times of budgetary pressure is mitigated by high coverage levels.

## PRESSURED DISTRICT ENROLLMENT AND CHARTER SCHOOL COMPETITION

Fitch believes that declining student enrollment and increased charter school competition may have a modestly negative affect on future growth in state aid revenues. The district has experienced a nearly 5% enrollment decline since 2007, to an estimated 20,136 students in 2018. The district posted a small enrollment gain for fiscal 2018, which it attributes to an influx of refugee families.

Fitch believes that the sustainability of recent enrollment growth is uncertain given the 1.2% population decrease in Syracuse since the 2010 U.S. Census. In addition, future enrollment losses from continued charter school development - if such development occurs - could outweigh population gains over time.

Three charter schools currently operate within the district and educate about 1,800 pupils (approximately 9% of district and charter enrollees). In 2010 the state legislature increased the statewide number of charter schools permitted, which allowed two additional charters to receive state approval in 2016. One new charter school opened in 2017 and enrolls about 230 students. All charters receive formulaic per pupil aid that passes through the district. The district made \$19.7 million in charter school payments in fiscal 2017. Officials estimate fiscal 2018 charter school payments will increase to about \$24 million, up 22% from the prior year.

Despite pressure on enrollment, management anticipates that state aid will increase due to a growing need for increased ESL services. The district's five-year financial plan estimated that state aid for education would increase by 4.4% in fiscal 2018, followed by more modest increases through fiscal 2021. Fiscal 2018 state aid receipts have closely matched management's expectations. Fitch anticipates coverage levels to remain high due to planned new debt issuances that will likely be supported by further increases in interceptable state building aid.

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**City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A**

|   |  | Telephone:      | E-Mail:  | Address:   |
|---|--|-----------------|--|--|
| <b>ISSUER:</b>                            | <b>Syracuse Industrial Development Agency (SIDA)</b> |                 |  | 233 East Washington Street, Syracuse, NY 13202             |
| vacant                                    | Chairman   |                 |  | 201 East Washington Street, Syracuse, NY 13202             |
| Honora Spillane                           | Executive Director                                   | 315-473-3275    | <a href="mailto:hspillane@syr.gov">hspillane@syr.gov</a>                                   |  |
| <b>ISSUER COUNSEL</b>                     | <b>Counsel to SIDA</b>                               |                 |  | 233 East Washington Street, Syracuse, NY 13202             |
| Meghan Ryan                               |  | 315-448-8666    | <a href="mailto:mryan@syr.gov">mryan@syr.gov</a>   |  |
| <b>BOND COUNSEL</b>                       | <b>Barclay Damon</b>                                 |                 |  | One Park Place, 300 South State Street, Syracuse, NY 13202 |
| Sue Katzoff, Esq.                         |  | 315-425-2880    | <a href="mailto:skatzoff@barclaydamon.com">skatzoff@barclaydamon.com</a>                   |  |
| Lori McRobbie                             |  | 315-425-2880    | <a href="mailto:lmcrobbe@barclaydamon.com">lmcrobbe@barclaydamon.com</a>                   | 1325 G Street, NW, Suite 500, Washington, DC 20005         |
| Jean Everett                              |  | 212-552-73926   | <a href="mailto:jeverett@barclaydamon.com">jeverett@barclaydamon.com</a>                   |  |
| <b>CITY</b>                               | <b>City of Syracuse</b>                              |                 |  | 233 East Washington Street, Syracuse, NY 13202             |
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| Joe Barry, Esq.                           | First Asst. Corporation Counsel                      | 315-448-8400    | <a href="mailto:jbarry@syr.gov">jbarry@syr.gov</a>   |  |
| Sharon Owens                              | Deputy Mayor   |                 | <a href="mailto:sowens@syr.gov">sowens@syr.gov</a>   |  |
| <b>CITY SCHOOL DISTRICT</b>               | <b>Syracuse City School District</b>                 |                 |  | 725 Harrison Street, Syracuse, NY 13210                    |
| Suzanne Slack                             | Chief Financial Officer                              | 315-435-4826    | <a href="mailto:sslack@scsd.us">sslack@scsd.us</a>   |  |
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| <b>JSCB / CITY / SD BOND COUNSEL</b>      | <b>Trespasz &amp; Marquart, LLP</b>                  |                 |  | 251 W. Fayette Street, Syracuse, NY 13202                  |
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| Patty Russen                              |  | 315-466-4444    | <a href="mailto:prussen@lawtm.com">prussen@lawtm.com</a>                                   |  |
| <b>JSCB / CITY / SD FINANCIAL ADVISOR</b> | <b>Capital Markets Advisors, LLC</b>                 |                 |  | 4211 N. Buffalo Road, Suite 19, Orchard Park, NY 14127     |
| Rick Ganci                                |  | 716-622-3910    | <a href="mailto:rganci@capmark.org">rganci@capmark.org</a>                                 | 1075 Route 82, Suite 4, Hopewell Junction, NY 12533        |
| James Nytko                               |  | 845-227-8678    | <a href="mailto:invtko@capmark.org">invtko@capmark.org</a>                                 |  |
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| Kojo Asiedu                               | Vice President                                       | 646-557-1554    | <a href="mailto:kojo.asiedu@raymondjames.com">kojo.asiedu@raymondjames.com</a>             |  |
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|   | <b>Ramirez &amp; Co., Inc. (Co-Manager)</b>          |                 |  | 61 Broadway, 29th floor, New York, NY 10006                |
| Eileen Foley                              |  | 212-378-7123    | <a href="mailto:eileen.foley@ramirezco.com">eileen.foley@ramirezco.com</a>                 |  |
| Samphas ("Sammi") Chhea                   |  | 212-344-1728    | <a href="mailto:samphas.chhea@ramirezco.com">samphas.chhea@ramirezco.com</a>               |  |
| Andrew McCarthy                           |  | 212-248-3886    | <a href="mailto:andrew.mccarthy@ramirezco.com">andrew.mccarthy@ramirezco.com</a>           |  |
| Patty McGorry                             |  | 212-248-3870    | <a href="mailto:patty.mcgorry@ramirezco.com">patty.mcgorry@ramirezco.com</a>               |  |



|                                    |  |              |   |
|------------------------------------|--|--------------|---|
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| <b>UNDERWRITER'S COUNSEL:</b>      | <b>Harris Beach PLLC</b>                 |              | 726 Exchange Street, Suite 1000, Buffalo, NY 14210                          |
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|                                    |  |              | 100 Wall Street, New York, NY 10005   |
| Mary Ann Gale                      | Paralegal                                | 212-912-3550 | <a href="mailto:mgale@harrisbeach.com">mgale@harrisbeach.com</a>            |
| <b>TRUSTEE</b>                     | <b>M&amp;T Bank</b>                      |              | One M&T Plaza, 7th floor, Corporate Trust Administration, Buffalo, NY 14203 |
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| <b>TRUSTEE COUNSEL</b>             | <b>Hodgson Russ</b>                      |              | 140 Pearl Street, Suite 100, Buffalo, NY 14202                              |
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| <b>NYS MBBA FINANCIAL ADVISOR:</b> | <b>Public Resources Advisory Group</b>   |              | 39 Broadway, Suite 1210, New York, NY 10006                                 |
| Steve Peyser                       | President                                | 212-380-5281 | <a href="mailto:speyser@pragadvisors.com">speyser@pragadvisors.com</a>      |
| Monika Jarecka-Conley              | Senior Managing Director                 | 212-566-7800 | <a href="mailto:mconley@pragadvisors.com">mconley@pragadvisors.com</a>      |

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The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

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Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires that we make the following disclosure to you at the earliest stages of our relationship, as underwriter, with respect to an issue of municipal securities: the underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or legal counsel.

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This Proposal is not a binding commitment, obligation, or undertaking of Raymond James. No obligation or liability with respect to any issuance or purchase of any Bonds or other securities described herein shall exist, nor shall any representations be deemed made, nor any reliance on any communications regarding the subject matter hereof be reasonable or justified unless and until (1) all necessary Raymond James, rating agency or other third party approvals, as applicable, shall have been obtained, including, without limitation, any required Raymond James senior management and credit committee approvals, (2) all of the terms and conditions of the documents pertaining to the subject transaction are agreed to by the parties thereto as evidenced by the execution and delivery of all such documents by all such parties, and (3) all conditions hereafter established by Raymond James for closing of the transaction have been satisfied in our sole discretion. Until execution and delivery of all such definitive agreements, all parties shall have the absolute right to amend this Proposal and/or terminate all negotiations for any reason without liability therefor.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/13/2018

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**


|  |   |  |
|--|---|--|
| <b>PRODUCER</b><br>MCGRIFF, SEIBELS & WILLIAMS, INC.<br>P.O. Box 10265<br>Birmingham, AL 35202               | <b>CONTACT NAME:</b><br>PHONE (A/C, No, Ext): 800-476-2211      FAX (A/C, No):<br>E-MAIL ADDRESS: |  |
|  | <b>INSURER(S) AFFORDING COVERAGE</b>  |  |
| <b>INSURED</b><br>Turner Corporation<br>Turner Construction Company<br>3 Paragon Drive<br>Montvale, NJ 07645 | <b>INSURER A :</b> Liberty Mutual Insurance Company      NAIC # 23043                             |  |
|  | <b>INSURER B :</b> Liberty Mutual Fire Insurance Company      23035                               |  |
|  | <b>INSURER C :</b> ACE Property and Casualty Insurance Company      20699                         |  |
|  | <b>INSURER D :</b> Liberty Insurance Corporation      42404                                       |  |
|  | <b>INSURER E :</b>  |  |
|  | <b>INSURER F :</b>  |  |

**COVERAGES      CERTIFICATE NUMBER: HDZ4BHHZ      REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

| INSR LTR | TYPE OF INSURANCE   | ADDL INSD | SUBR WVD | POLICY NUMBER   | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|---|-----------|----------|---|-------------------------|-------------------------|---|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER<br><input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC<br><input type="checkbox"/> OTHER |           |          | TB2625092815107: Ea. Occ, Dam to Rent Prem, Prs & Adv Inj: \$250k.<br>TL2625092815127: Ea. Occ, Pers & Adv Inj, Dam to Prem: \$1.75mm.<br>TL2625093906487: Follow Form<br>Excess above Primary Limits: Per Occ \$3mm & Agg \$5mm, Prod/Comp Ops Agg \$0<br>Total Aggs at right. | 11/01/2017              | 11/01/2018              | EACH OCCURRENCE \$ 5,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000<br>MED EXP (Any one person) \$ 10,000<br>PERSONAL & ADV INJURY \$ 5,000,000<br>GENERAL AGGREGATE \$ 10,000,000<br>PRODUCTS - COMP/OP AGG \$ 12,500,000<br>\$ |
| B        | <b>AUTOMOBILE LIABILITY</b><br><input checked="" type="checkbox"/> ANY AUTO<br><input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY   |           |          | Autos Registered in NY, OR, NH Only AS2625092815117   | 11/01/2017              | 11/01/2018              | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$ \$  |
| C        | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br>DED    RETENTION \$   |           |          | NY, OR, NH Only XCQG28176004002   | 11/01/2017              | 11/01/2018              | EACH OCCURRENCE \$ 10,000,000<br>AGGREGATE \$ 10,000,000<br>\$  |
| D        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>if yes, describe under DESCRIPTION OF OPERATIONS below   |           | N/A      | NY, OR, NH Only WC7625092815097   | 11/01/2017              | 11/01/2018              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER<br>E L EACH ACCIDENT \$ 2,000,000<br>E L DISEASE - EA EMPLOYEE \$ 2,000,000<br>E L DISEASE - POLICY LIMIT \$ 2,000,000<br>\$<br>\$<br>\$<br>\$                       |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 LOCATION: SYRACUSE CSD PHASE 2, SYRACUSE, NY.  
 JOB #151235  
 ADDITIONAL INSURED: JOINT SCHOOL CONSTRUCTION BOARD, CITY OF SYRACUSE, THE SYRACUSE CITY SCHOOL DISTRICT AND THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY ("SIDA")

|   |   |
|---|---|
| <b>CERTIFICATE HOLDER</b><br><br>JOINT SCHOOL CONSTRUCTION BOARD, CITY OF SYRACUSE, THE SYRACUSE CITY SCHOOL DISTRICT AND THE BONDING AGENCY<br>ATTN.: LAW DEPT.<br>233 E. WASHINGTON STREET - ROOM 300<br>SYRACUSE, NY 13202 | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|---|



## GENERAL CERTIFICATE OF TURNER CONSTRUCTION COMPANY

This certificate is made in connection with the issuance by the City of Syracuse Industrial Development Agency (the “*Agency*”) of its \$67,120,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the “*Series 2018A Bonds*”) pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 2, 2018 (the “*Indenture*”), between the Agency and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture.

Turner Construction Company (the “*Program Manager*”) executed and delivered the Program Manager Agreement, dated August 28, 2015 (the “*Program Manager Agreement*”), with the Syracuse Joint Schools Construction Board (the “*JSCB*”) with respect to project management services for the design, equipping, reconstruction and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; and the design, equipping and reconstruction of the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “*Series 2018A Project*”).

For purposes of this certificate: (i) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; and (ii) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

I, the undersigned and Vice President and General Manager of the Program Manager, based on my review of the Program Manager Agreement and the other documents attached as exhibits to this certificate, do hereby certify that:

1. I am a duly elected officer of the Program Manager and am duly authorized to execute and deliver this certificate in the name and on behalf of the Program Manager.
2. The Program Manager is duly organized and validly existing under the laws of the State of New York and qualified to do business in each and every jurisdiction where it is doing business, with full power and authority to enter into the Program Manager Agreement. Attached hereto as **Exhibit “A”** is a true, correct and complete copy of the Program Manager’s Certificate of Incorporation and such Certificate of Incorporation was in full force and effect at the time the Resolution (as defined herein) was adopted and is in full force and effect on the date hereof.
3. The Program Manger’s Bylaws were in full force and effect at the time the Resolution was adopted and are in full force and effect on the date hereof.
4. Attached hereto as **Exhibit “B”** is a true and correct copy of the Program Manager’s Certificate of Good Standing from the Secretary of State of New York.
5. Attached hereto as **Exhibit “C”** is a certified copy of the resolution duly adopted by the Program Manager on March 1, 2018 (the “**Resolution**”) authorizing the execution and delivery of the Program Manager Agreement, confirming that the Program Manager’s execution of the Agreement was in compliance with the Program Manager’s Bylaws, and said Resolution has not been amended, modified, repealed or rescinded and is in full force and effect on the date hereof.
6. The Program Manager Agreement has been duly executed by an authorized officer of the Program Manager and, in accordance with the corporate resolution of Turner Construction Company and the opinion of our Senior Corporate Counsel, creates a legal, valid and binding obligation of the Program Manager enforceable against the Program Manager in accordance with its terms.
7. In accordance with the opinion of our Senior Corporate Counsel, there is currently no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency or body, pending or, to the best of his knowledge, threatened against the Program Manager which is likely to materially adversely affect the Program Manager, or materially adversely affect the transactions contemplated by the Program Manager Agreement, or materially adversely affect the design, equipping, reconstruction and the construction of the Series 2018A Project, or adversely affect the validity or enforceability of the Program Manager Agreement.
8. No event of default or event which, with notice or lapse of time or both, would constitute an event of default under the Program Manager Agreement has occurred and is continuing.

# Turner

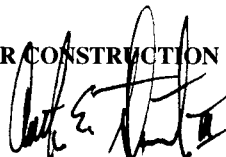
9. As of the date of the Official Statement, dated March 2, 2018, (the "**Official Statement**"). executed by the Agency, the City and the SCSD and as of the Closing Date, the following statement contained in the Official Statement under the heading, "INTRODUCTION — The Program and the Series 2018A Project," and "PROGRAM PARTICIPANTS — The Program Manager" does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading:

"The JSCB selected Turner Construction Company ("**Phase II Program Manager**") as the Program Manager for Phase II of the Program on August 28, 2015. Turner Construction was founded 113 years ago and is a North America-based, international construction services company. With a staff of over 5,200 employees, the company completes \$10 billion of construction on 1,500 projects each year."

WITNESS, as of the 13<sup>th</sup> day of March, 2018.

**TURNER CONSTRUCTION COMPANY**

By:



Name: Carl E. Stewart, III

Title: General Manager and Vice President



**EXHIBIT "A"**

Program Manager's Certificate of Incorporation

# ***STATE OF NEW YORK***

## ***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
March 5, 2018.



A handwritten signature in black ink, appearing to read "B. Fitzgerald", is written over a horizontal line.

Brendan Fitzgerald  
Executive Deputy Secretary of State





dispose of the whole or any part of the property so purchased; or to conduct in any lawful manner the whole or any part of the business so acquired, provided such business is within the authorization of the Business Corporation Law, and to exercise all the powers necessary or convenient in and about the conducting and management of such business.

To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, use, own, operate and introduce, and to sell, assign or otherwise dispose of, any trademarks, tradenames, patents, inventions, improvements and processes used in connection with or secured under letters-patent of the United States or elsewhere or otherwise, and to use, exercise, develop, grant licenses in respect of, or otherwise turn to account any such trademarks, patents, licenses, processes and the like, or any such property or rights, provided always that the terms "use" and "operate" shall not be deemed to include any business except such as is permitted by the Business Corporation Law.

To manufacture, purchase, or otherwise acquire, deal in, hold, own, manage, sell, pledge, transfer, or otherwise dispose of, goods, wares, merchandise and property of any and every class and description.

To buy, sell, deal in, lease, hold or improve real estate, and the fixtures and personal property incidental thereto or connected therewith, and, with that end in view, to acquire, by purchase, lease, hire, or otherwise, lands, tenements, or hereditaments, or any interest therein, and to improve the same, and generally to hold, manage, deal with and improve the property of the company, and to sell, lease, mortgage, pledge or otherwise dispose of the lands, tenements, and hereditaments or other property of the company.

THIRD. The amount of the capital stock is fifty thousand dollars (\$50,000.00), twenty five thousand dollars (\$25,000.00) of which shall be preferred stock, and twenty five thousand dollars (\$25,000.00) of which shall be common stock. The preferred stock shall entitle the

2

holder to receive a cumulative dividend, in each year, at the rate of six (6) per cent per annum, payable semi-annually, out of the net earnings of the company, before any dividend shall be declared or paid on the common stock, and on dissolution, shall be entitled to a preference and a priority of payment over the common stock in any distribution of the property of said corporation.

FOURTH. The number of shares of which the capital stock shall consist is five hundred (500), two hundred and fifty (250) of which shall be preferred stock of the par value of one hundred dollars (\$100.00) each, and two hundred and fifty (250) of which shall be common stock, of the par value of one hundred dollars (\$100.00) each, and the amount of capital with which said corporation will begin business is twenty five thousand dollars (\$25,000.00)

FIFTH. The principal business office of the corporation is to be located in City of New York County of New York and State of New York.

SIXTH. Its duration is to be perpetual.

SEVENTH. The number of its directors is to be three (3).

EIGHTH. The names and Post-Office addresses of the directors for the first year are as follows:

| NAMES.             | POST-OFFICE ADDRESSES.  |
|--------------------|---|
| Gurdon B. Horton,  | 618 Carlton Avenue,<br>Borough of Brooklyn,<br>City of New York.  |
| Henry C. Turner,   | 50 Pineapple Street,<br>Borough of Brooklyn,<br>City of New York. |
| DeForest H. Dixon, | 166 Remsen Street,<br>Borough of Brooklyn,<br>City of New York.   |

3

NINTH. The names and Post-Office addresses of the subscribers of the certificate and a statement of the number of shares of stock which each agrees to take in the corporation are as follows:

| NAMES.              | P. O. ADDRESSES.  | NO. OF SHARES. |
|---------------------|---|----------------|
| Gurdon B. Horton,   | 618 Carlton Avenue,<br>Borough of Brooklyn,<br>City of New York.  | 180            |
| Henry C. Turner,    | 50 Pineapple Street,<br>Borough of Brooklyn,<br>City of New York. | 35             |
| DeForest H. Dixon,  | 166 Remsen Street,<br>Borough of Brooklyn,<br>City of New York.   | 5              |
| Frederick C. Hicks, | Old Westbury,<br>Nassau County,<br>New York.                      | 30             |

IN WITNESS WHEREOF, we have made, signed and acknowledged this Certificate, this third day of May 1902.

*Henry C. Turner*  
*Frederick C. Hicks*  
*D. H. Dixon*



4

STATE OF NEW YORK, (  
)ss.  
COUNTY OF NEW YORK. (

On this third day of May 1902,

before me personally came Henry C. Turner, DeForest H. Dixon,  
Frederick C. Hicks, to me personally known to be the individuals  
described in and who executed the foregoing Certificate, and they  
severally duly acknowledged to me that they executed the same.

*J. M. Stewart*  
*Notary Public*  
*N. Y. Co*



5

250-415

CERTIFICATE OF INCORPORATION

of

TURNER CONSTRUCTION COMPANY.

9

Tax for privilege of organization  
of this Corporation  
\$ 2.50  
Under Chapter 443, Laws of 1901  
State Treasurer before Filing.

STATE OF NEW YORK  
OFFICE OF SECRETARY OF STATE

MAY 6 1902

*J. B. Morgan*  
Deputy Secretary of State

GARDNER & GARDNER,  
ATTORNEYS & COUNSELLORS AT LAW,  
19 LIBERTY STREET,  
NEW YORK



**EXHIBIT "B"**

Program Manager's Certificate of Good Standing



Turner Construction Company  
375 Hudson Street  
New York, NY 10014  
phone: 212-229-6163  
fax: 212-229-6094

**CORPORATION CERTIFIED RESOLUTION**

I, Claudia LaFleur-Thrash, Assistant Corporate Secretary of Turner Construction Company, a corporation organized and existing under the laws of the State of New York (the "Company"), do hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the Company duly held and convened on January 29, 2018, at which meeting a duly constituted quorum of the Board of Directors was present and acting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

**RESOLVED:** That Carlton E. Stewart III, Vice President and General Manager of Turner Construction Company is, and was, empowered and authorized, on behalf of Turner Construction Company, to execute the Program Manager Agreement, dated August 28, 2015, with the Syracuse Joint Schools Construction Board with respect to project management services for the design, equipping, reconstruction and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; and the design, equipping and reconstruction of the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School, and to negotiate, deliver and execute such other legal instruments and amendments thereto, and all documents required thereby; and it is

**FURTHER RESOLVED:** Turner Construction Company's execution of the Program Manager Agreement with the Syracuse Joint Schools Construction Board was in compliance with our company's By-Laws, which are in full force and effect as of the date of this Resolution; and it is

**FURTHER RESOLVED:** That upon the execution and delivery of the Program Management Agreement by all parties thereto, same became a legally binding obligation of the Program Manager

**IN WITNESS WHEREOF,** the undersigned has affixed her signature and the corporate seal of the Company this 1<sup>st</sup> day of March, 2018.

(Corporate Seal)



  
\_\_\_\_\_  
Claudia LaFleur-Thrash  
Its Assistant Corporate Secretary

**Turner**

**EXHIBIT "C"**

Program Manager's Corporate Resolution

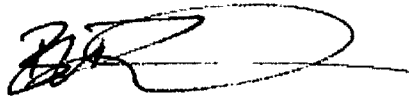


**State of New York  
Department of State } SS:**

*I hereby certify, that the Certificate of Incorporation of TURNER CONSTRUCTION COMPANY was filed on 05/06/1902, fixing the duration as perpetual, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.*

\*\*\*

*Witness my hand and the official seal of the Department of State at the City of Albany, this 28th day of February two thousand and eighteen.*



Brendan W. Fitzgerald  
Executive Deputy Secretary of State



201803010598 \* EZ

**GENERAL CERTIFICATE OF THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

This certificate is made in connection with the issuance by the City of Syracuse Industrial Development Agency (the "**Agency**") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Series 2018A Bonds**") at the request of the Syracuse Joint Schools Construction Board (the "**JSCB**") on behalf of the City of Syracuse, New York (the "**City**") and the City School District of the City of Syracuse (the "**SCSD**") for the purpose of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements of the Buildings; including but not limited to, some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping (the "**Improvements**"); and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium (the "**Addition**" and together with the Buildings and the Improvements, collectively, the "**Facility**"); (B) the acquisition and installation in and around the Facility of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**" and together with the Facility, the "**Project Facility**") necessary and attendant to the use of the Project Facility as schools by the City and the SCSD; and (C) the pay certain costs of issuance of the Series 2018A Bonds, costs of credit enhancement, if any, funding capitalized interest, if any, for the Project (as defined herein) and funding a debt service reserve fund, if any (the foregoing collectively referred to as the "**Project**").

The City of Syracuse, New York (the "**City**") and the City School District of the City of Syracuse, a school district of the State of New York (the "**SCSD**") have granted a license to the Agency in and to the Facilities pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**") amendatory of a License Agreement, dated as of March 1, 2008, between the City and the City School District of the City of Syracuse (the "**SCSD**"), as licensor, and the Agency, as licensee (the "**Original License Agreement**"), which was previously amended by the City, the Agency and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City, the Agency and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"); and further amended by the City, the Agency and the SCSD pursuant to a Third Amendatory License Agreement dated April 1, 2017 (the "**Third Amendatory License Agreement**" and together with the Original License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement and the Fourth Amendatory License Agreement, collectively, the "**License**");

The Agency has sold its interest in the Facilities to the City and the SCSD pursuant to Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), amendatory of that certain Installment Sale Agreement, (Series 2008 Project), dated as of March 1, 2008 ("**Original Agreement**") which was previously amended by

Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (“**First Amended Agreement**”); Amendment No. 2 to Installment Sale Agreement dated as of December 1, 2010 (the “**Second Amended Agreement**”), Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the “**Third Amended Agreement**”) and Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the “**Fourth Amended Agreement**” and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement, collectively, the “**Installment Sale Agreement**”), each among the Agency, the City, the SCSD and the Joint School Construction Board (the “**JSCB**”).

The Installment Sale Agreement requires, among other things, the payment by the City and the SCSD of Installment Purchase Payments as scheduled payments equal to the principal of and interest on the Series 2018A Bonds and any Additional Bonds that were or may be issued under a Series Indenture (collectively, the “**Bonds**”) as the same become due, (the “**Installment Purchase Payments**”); the execution by the Agency of the Bond Purchase Agreement, dated March 2, 2018 (the “**Purchase Contract**”), by and among the Agency, the JSCB on behalf of itself, the City and the SCSD, and Raymond James & Associates, Inc., as representative for the underwriters (the “**Underwriter**”), the Preliminary Official Statement, dated February 23, 2018 (the “**Preliminary Official Statement**”), the Official Statement, dated March 2, 2018 (the “**Official Statement**”), executed by the Agency, the City and the SCSD (the Preliminary Official Statement and the Official Statement together referred to herein as the “**Offering Documents**”), the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “**Indenture**”) between the Agency and Manufacturers and Traders Trust Company, as trustee (the “**Trustee**”), and the Tax Certificate, dated the date of delivery of the Series 2018A Bonds (the “**Tax Certificate**”) executed by the Agency (the Series 2018A Bonds, the Purchase Contract, the Official Statement, the Indenture, the License, the Installment Sale Agreement, the Tax Certificate and any other document or instrument executed and delivered by the Agency in connection with the issuance of the Series 2018A Bonds referred to collectively as the “**Agency Documents**”).

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture, except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

I, the undersigned Authorized Representative of the City of Syracuse Industrial Development Agency, Do Hereby Certify:

1. I am the Executive Director and a duly Authorized Representative of the Agency and am duly authorized to execute and deliver this certificate in the name and on behalf of the Agency.

2. The Agency is a corporate governmental agency constituting a public benefit corporation duly established under Title 1 of Article 18-A of the General Municipal Law of the

State of New York (the “*State*”), as amended (the “*Enabling Act*”) and Chapter 641 of the Laws of 1979 of the State (said Chapter with the Enabling Act, the “*Act*”). A copy of Chapter 641 of the Laws of 1979 of the State, certified by the Secretary of State of the State, is attached hereto as **Exhibit “A”**.

3. The Act empowers the Agency, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, sell and dispose of land and any building or other improvement, and all real and personal property, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the City and the State and to improve their standard of living. The Act further authorizes the Agency to lease to lease or sell any or all of its facilities at such rentals or sale prices and on such other terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and premium, if any, of and interest on, any such bonds so issued and any agreements made in connection therewith, to mortgage any or all of its facilities or to create security interests therein, and to assign and pledge its revenues and receipts, including revenues and receipts from the lease or sale of its facilities and any or all other sources; and to do all things necessary or convenient to carry out its purposes and exercise the powers given to the Agency under the Act.

4. Section 16(a) of Chapter 58 A-4 of the Laws of 2006 (the “*Syracuse Schools Act*”) of the State provides that notwithstanding any limitations contained in the Act, a “project” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act shall be a “project” within the definition and for the purposes of the Act which may be financed by the Agency.

5. Pursuant to the Act, the governing body of the City, for whose benefit the Agency was established, duly filed or caused to be filed within six (6) months after the effective date of Chapter 641 of the Laws of 1979 of the State in the office of the Secretary of State of the State the Certificate of Establishment of the Agency pursuant to Section 926 of the Act. The Certificate of Establishment of the Agency described in the preceding sentence also named the members and officers of the Agency as appointed by the Mayor of the City. Attached hereto as **Exhibit “B”** are certified copies of said Certificate of Establishment and certified copies of the Certificates of Appointment relating to all of the current members of the Agency, who are:

Michael Frame, Chairman  
Steven Thompson, Vice Chairman  
Rickey Brown, Secretary  
Kathy Murphy, Treasurer  
Kenneth Kinsey, Member

Each of the foregoing named individuals was and is duly appointed, qualified and acting as such member; each of such individuals who is indicated as an officer of the Agency was and is duly elected or appointed, qualified and acting as such officer; and each of such individuals has been a member of the Agency since at least January 16, 2018.

6. Attached hereto as **Exhibit “C”** is a true, correct and complete copy of the by-laws of the Agency, together with all amendments thereto or modifications thereof; and said by-laws, as so amended and modified, are in full force and effect in accordance with their terms as of the date of this Certificate.

7. The Agency adopted a resolution on November 21, 2017 (the “***Public Hearing Resolution***”), authorizing a public hearing in connection with the issuance by the Agency of bonds to refund the Agency’s outstanding School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A. A true copy of the Public Hearing Resolution is attached hereto as **Exhibit “D”**.

8. Attached hereto as **Exhibit “E”** is proof of publication of a notice of the public hearing with respect to the Series 2018A Project (the “***Public Hearing***”), required pursuant to Section 859-a of the Act, held on November 21, 2017, proof of mailing of notice thereof to the chief executive officers of the affected tax jurisdictions (as defined in Section 854(16) of the Act) and a copy of the transcript of such public hearing.

9. Pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as “***SEQRA***”), the Agency appointed itself “lead agency” by resolution adopted November 21, 2017 and classified the Series 2018A Project as a “Type 1 Action” (the “***Lead Agency Resolution***”). A true copy of the SEQRA Lead Agency Resolution is attached hereto as **Exhibit “F”**.

10. By Resolution adopted January 16, 2018 the Agency determined that the Series 2018A Project will not have a “significant effect on the environment” (as such quoted terms are defined in SEQRA) (the “***SEQRA Resolution***”). A true copy of the SEQRA Resolution is attached hereto as **Exhibit “G”**.

11. The Agency adopted a resolution on January 16, 2018 (the “***Inducement Resolution***”) approving the undertaking of the Series 2018A Project and appointing the JSCB as the agent of the Issuer for purposes of completing the Series 2018A Project. A true copy of the Inducement Resolution is attached hereto as **Exhibit “H”**.

12. On November 21, 2017, the Agency’s Finance Committee made a recommendation to the full board of the Agency to issue the Series 2018A Bonds.

13. The Agency adopted a resolution on January 16, 2018 (the “***Bond Sale Resolution***”) authorizing the issuance and sale of the Series 2018A Bonds. A true copy of the Bond Sale Resolution is attached hereto as **Exhibit “I”**.

14. The Agency adopted a resolution on February 20, 2018 (the “***Authorizing Resolution***”) authorizing the Executive Director to execute and deliver certain documents. A true copy of the Authorizing Resolution is attached hereto as **Exhibit “J”**.

15. The Public Hearing Resolution, the SEQRA Lead Agency Resolution, the SEQRA Resolution, the Bond Sale Resolution and the Authorizing Resolution were duly

adopted, have not been amended or modified since its adoption and are in full force and effect as of the date hereof.

16. The Bond Purchase Agreement and the other Agency Documents, when executed and delivered by the Agency (assuming due execution and delivery by the other parties thereto), will be the legal, valid and binding agreements of the Agency, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and subject to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

17. The execution, delivery and performance of all agreements, certificates and documents required to be executed, delivered and performed by the Agency in order to carry out, give effect to and consummate the transactions contemplated by the Agency Documents have been duly authorized by all necessary action of the Agency, and the Agency Documents have been duly authorized, executed and delivered. The Agency Documents are in full force and effect on and as of the date hereof, and no authority or proceeding for the execution, delivery or performance of the Agency Documents has been materially amended, repealed, revoked or rescinded; and no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Agency under the Agency Documents.

18. The execution, delivery and performance of the Agency Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each do not and will not: (a) violate the Act or the by-laws of the Agency; or (b) require consent (which has not heretofore been received) under or result in a breach or default of any credit agreement, purchase agreement, indenture, deed of trust, commitment, guaranty, lease or other agreement or instrument to which the Agency is a party or by which the Agency may be bound or affected.

19. The Agency has not received written notice that any Event of Default by any party under the Indenture, the Installment Sale Agreement or any of the other Agency Documents has occurred and is continuing, or that any event has occurred which with the lapse of time or the giving of notice or both would constitute an event of default, by any party to the Indenture, Installment Sale Agreement or any of the other Agency Documents.

20. Each of the representations and warranties of the Agency contained in the Purchase Contract and the other Agency Documents are true and correct in all material respects at and as of the date hereof and thereof.

21. The Agency is not contemplating instituting bankruptcy, insolvency or similar proceedings against itself.

22. March 15, 2018 has been duly designated as the date for the closing on the Series 2018A Bonds ("**Closing Date**").

23. The Agency has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date under: (a) the Bond Resolution and the Indenture for the issuance of the Series 2018A Bonds; and (b) the Bond Purchase Agreement.

24. As of their respective dates and at all times subsequent thereto up to and including the Closing Date, the information relating to the Agency in the Offering Documents was and is true and correct in all material respects, and the Offering Documents did not and do not contain any untrue statement of a material fact with respect to the Agency or omit to state a material fact necessary to make the statements with respect to the Agency contained therein, in the light of the circumstances under which they were made, not misleading. No event has occurred since the date of the Official Statement which is necessary to disclose therein in order to make the statements and information therein under the caption "THE ISSUER" and "NO LITIGATION" relating to the Agency not misleading in any material respect.

25. The Agency has full legal right, power and authority: (i) to approve and/or execute, deliver and perform, as applicable, the Purchase Contract, the Indenture, the Series 2018A Bonds and all other Agency Documents and to authorize the issuance of the Series 2018A Bonds; (ii) to enter into and perform its obligations under the Agency Documents; and (iii) to issue, offer, sell and deliver the Series 2018A Bonds to the Representative as provided in the Purchase Contract and to carry out the transactions contemplated by the Purchase Contract, the Offering Documents and the other Agency Documents,.

26. The Series 2018A Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture, will be validly issued and will be valid and binding special limited obligations of the Agency enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and subject to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

27. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Agency, threatened against or affecting the Agency or affecting the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2018A Bonds or the collection of revenues or assets pledged by the Agency under the Indenture or in any way contesting or affecting the validity or enforceability of the Bond Resolution, the Series 2018A Bonds, the Purchase Contract or the other Agency Documents, or contesting in any way the completeness or accuracy of the Offering Documents, or contesting the corporate existence or the powers of the Agency, or power or authority of the Agency for the adoption of the Bond Resolution, the approval of the Agency Documents, the issuance of the Series 2018A Bonds or the execution and delivery of the Purchase Contract or the other Agency Documents, nor, to the knowledge of the Agency, is there any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by Purchase Contract or the validity or enforceability of the Bond Resolution, the Series 2018A Bonds, Purchase Contract, or the other Agency Documents or any agreement or instrument to which the Agency is a party, or to which the Agency has consented, and which is used or contemplated for

use in the consummation of the transactions contemplated by Purchase Contract or the Official Statement.

28. The adoption of the Bond Resolution, the approval of the Agency Documents and the execution and delivery by the Agency of, or consent by the Agency to, as applicable, the Official Statement, the Series 2018A Bonds, Purchase Contract, the other Agency Documents do not, and compliance with the provisions hereof and thereof will not, conflict with or constitute on the part of the Agency a violation or breach of or a default under any applicable law or administrative rule or regulation, or any court or administrative decree or order, or any indenture, mortgage, lease, sublease, loan agreement, note, resolution, agreement or other instrument to which the Agency is a party or by which it or any of its properties or assets may be bound that would have a material adverse effect upon the transactions contemplated by the Purchase Contract or any other Agency Documents.

29. On and as of the Closing Date, all authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required to be obtained, given or taken on behalf of the Agency in connection with the execution, delivery and performance by the Agency of the applicable Agency Documents will have been obtained, given or taken and will be in full force and effect, provided that no representation is made with respect to compliance with the securities or "Blue Sky" laws of the various states of the United States.

30. On and as of the Closing Date, the Series 2018A Bonds will be secured by a lien on the trust estate under the Indenture.

31. With the exception of the liens created by or under the Indenture, the Series 2010 Indenture, the First Supplemental Indenture and the Series 2017 Indenture (as each of those terms are defined in the Indenture) and the documents related thereto, the Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the assets, funds and interests pledged pursuant to, or subject to the lien of, the Indenture.

32. I did officially cause the Agency Documents to be executed in the name of the Agency by the signing of each of such Agency Documents with the signature of the Executive Director of the Agency.


33. No member, officer or employee of the Agency having power to (i) negotiate, prepare, authorize or approve any of the Agency Documents, (ii) audit bills or claims under any of the Agency Documents, or (iii) appoint an officer or employee who has any of the powers or duties set forth in (i) or (ii):

- (a) directly or indirectly owns any stock of the SCSD, the JSCB or the City of Syracuse, New York (the "**City**" and together with the SCSD and the JSCB, collectively the "**School Parties**");
- (b) is a partner, director or employee of School Parties;



- (c) is related to the School Parties or the Trustee within the meaning of Section 800.3(a) of the State General Municipal Law.

34. The Authorized Representative of the Agency who, pursuant to the Authorizing Resolution of the Agency, is authorized to execute the Agency Documents and the office held by such Authorized Representative is as set forth below. The signature set opposite the name of such Authorized Representative, if any, is a genuine specimen of such member's signature:

| Name            | Office             | Signature  |
|-----------------|--------------------|--|
| Honora Spillane | Executive Director |  |

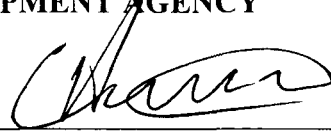
34. No member, officer or employee of the Agency has publicly disclosed, in a writing included as part of the official minutes of the Agency, any Interest (as defined in Section 800.3(a) of the State General Municipal Law), direct or indirect, in the School Parties or the Trustee.

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IN WITNESS WHEREOF, I have hereunto set my signature as Executive Director of the Agency the 15 day of March, 2018.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:



Honora Spillane, Executive Director

**EXHIBIT "A"**

**CHAPTER 641 OF THE LAWS OF 1979**

LAWS OF NEW YORK, 1979

CHAPTER 641

AN ACT to amend the general municipal law, in relation to creating and establishing for the city of Syracuse industrial development agency and, providing for its functions and duties

Became a law July 11, 1979, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2 (b) (2) of the Constitution, by a majority vote, three-fifths being present.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

Section 1. The general municipal law is amended by adding a new section nine hundred twenty-six to read as follows:

§ 926. *City of Syracuse industrial development agency. (a) For the benefit of the city of Syracuse and the inhabitants thereof, an industrial development agency, to be known as the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall consist of five members who shall be appointed by the mayor of the city of Syracuse and its chairman shall be designated by such mayor. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall organize in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. The agency, its members, officers and employees, and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.*

*(b) The city shall have the power to make, or contract to make grants or loans, including but not limited to grants or loans of money, to the agency in such amounts, upon such terms and conditions and for such period or periods of time as in the judgment of the city and the agency are necessary or appropriate for the accomplishment of any of the purposes of the agency.*

§ 2. This act shall take effect immediately.

**EXHIBIT "B"**

**CERTIFICATE OF ESTABLISHMENT AND  
CERTIFIED COPIES OF THE CERTIFICATES OF APPOINTMENT**

CERTIFICATE OF THE CITY OF SYRACUSE  
INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law, Lee Alexander, Mayor of the City of Syracuse, certifies as follows:

- 1) The name of the industrial development agency herein is the City of Syracuse Industrial Development Agency.
- 2) Chapter 641 of the Laws of 1979, the special act of the New York State Legislature establishing the City of Syracuse Industrial Development Agency, was adopted by the New York State Legislature on June 16, 1979 and signed by the Governor on July 18, 1979.
- 3) The names of the Chairman and the Members, respectively, of the City of Syracuse Industrial Development Agency and their terms of office are as follows:
  - (a)

|                  |          |
|------------------|----------|
| Frank L. Canino  | Chairman |
| David M. Garber  | Member   |
| David S. Michel  | Member   |
| Erwin G. Schultz | Member   |
| Irwin L. Davis   | Member   |
  - (b) The term of office of the Chairman and of the Members of the City of Syracuse Industrial Development Agency is at the pleasure of the Mayor and continues until a successor is appointed and has qualified.
- 4) The facts establishing the need for the creation of a City of Syracuse Industrial Development Agency are as follows:

Expansion of its industrial-commercial base is essential to the City of Syracuse, especially in a time of mounting economic pressures. To achieve this goal of expansion, the City has designed a comprehensive economic development program, requiring an Industrial Development Agency.

The existing potential for economic development will be augmented by the financial incentives of an Industrial Development Agency. Various City agencies and departments, such as the Department of Community Development and the Office of Federal and State Aid Coordination will interface with the Syracuse Industrial Development Agency to strengthen the business and industrial climate of the community.

Access to the Department of Community Development will make available to the Syracuse Industrial Development Agency an array of staff assistance, technical expertise, and various other development services. The City's Office of Federal and State Aid Coordination will provide assistance to it in locating, analyzing, and obtaining various forms of federal and state assistance and participation.

STATE OF NEW YORK  
DEPARTMENT OF STATE

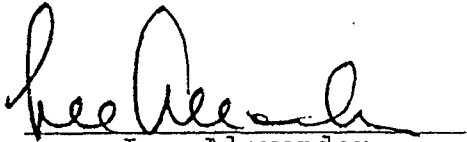
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*Carl A. Fater...*

\_\_\_\_\_  
Secretary of State

The Syracuse Industrial Development Agency, in combination with, and utilizing these and other resources, will greatly enhance the City's ability to compete for, and successfully attract, the commercial and industrial enterprises necessary for continued economic health and growth.

July 20, 1979

  
Lee Alexander  
Mayor

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED JUL 20 1979

  
Secretary of State



**OFFICE OF THE MAYOR**

**Stephanie A. Miner, Mayor**

**CERTIFICATE OF APPOINTMENT TO THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Kenneth Kinsey

- Member

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Ms. Pamela Hunter

- Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 13, 2016.

  
Stephanie A. Miner  
Mayor, City of Syracuse





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OFFICE OF THE MAYOR  
CITY OF SYRACUSE  
DEPARTMENT OF STATE

DEPARTMENT OF STATE

OFFICE OF THE MAYOR

**Ben Walsh, Mayor**

**CERTIFICATE OF APPOINTMENT TO THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as an Officer of the City of Syracuse Industrial Development Agency:

Mr. Steven P. Thompson                      - Member/Vice Chair

The following Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Officer of said Agency :

Mr. Steven P. Thompson                      - Member/Secretary

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh  
Mayor, City of Syracuse

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CITY OF SYRACUSE  
DEPARTMENT OF LAW



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JAN 29 2018

DEPARTMENT OF STATE

OFFICE OF THE MAYOR

**Ben Walsh, Mayor**

CERTIFICATE OF APPOINTMENT TO THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Mr. Michael Frame

- Member/Chair

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency :

Mr. William A. Ryan

- Member/Chair

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

A handwritten signature in black ink, appearing to be "B Walsh", written over a horizontal line.

Ben Walsh

Mayor, City of Syracuse



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JAN 29 2018

CITY OF SYRACUSE  
DEPARTMENT OF LAW

OFFICE OF THE MAYOR

DEPARTMENT OF STATE

**Ben Walsh, Mayor**

**CERTIFICATE OF APPOINTMENT TO THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Mr. Rickey Brown - Member/Secretary

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency :

Ms. M. Catherine Richardson - Member/Vice-Chair

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh  
Mayor, City of Syracuse



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CITY OF SYRACUSE  
DEPARTMENT OF LAW

**OFFICE OF THE MAYOR**

**Ben Walsh, Mayor**

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STATE RECORDS

JAN 29 2018

DEPARTMENT OF STATE

**CERTIFICATE OF APPOINTMENT TO THE  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Ms. Kathy Murphy

- Member/Treasurer

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr: Donald Schoenwald

- Member/Treasurer

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

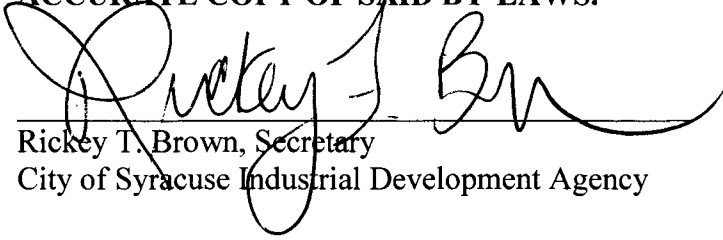
Ben Walsh

Mayor, City of Syracuse

**EXHIBIT "C"**

**BY-LAWS**

**I HEREBY CERTIFY THAT THE ATTACHED BY-LAWS OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY ARE A TRUE AND ACCURATE COPY OF SAID BY-LAWS.**



Rickey T. Brown, Secretary  
City of Syracuse Industrial Development Agency

**BY-LAWS OF  
THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
(as amended August 18, 2009)**

**Article I**

**THE AGENCY**

Section 1. **Name**

The name of the agency shall be "City of Syracuse Industrial Development Agency", and it shall be referred to in these by-laws as the Agency.

Section 2. **Seal**

The seal of the Agency shall be in such form as may be determined by the members of the Agency.

Section 3. **Office**

The principal office of the Agency shall be located in the City of Syracuse, New York, County of Onondaga, and State of New York. The Agency may have such other offices at such other places as the members of the Agency may, from time to time, designate by resolution.

**Article II**

**MEMBERS**

Section 1. **Members**

(a) There shall be five members of the Agency. All references in these by-laws to members shall be references to Members of the Agency. The persons designated in the certificates of appointment filed in the office of the Secretary of State as members of the Agency and their successors in office and such other persons as may, from time to time, be appointed as

Members of the Agency by the Mayor of the City of Syracuse, or by special act of the Legislature, shall constitute all the members.

(b) Members shall hold office at the pleasure of the Mayor and shall continue to hold office until his or her successor is appointed and has qualified. The Mayor may remove any Member at his discretion, with or without cause.

(c) Upon the resignation or removal of a Member, a successor shall be selected by the Mayor.

(d) Members may resign at any time by giving written notice to the Mayor and to the Chairman of the Agency. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman or the Mayor. Acceptance of the resignation shall not be necessary to make it effective.

## Section 2. Meeting of the Members

(a) The Annual Meeting of the members shall be held on such date or dates as shall be fixed, from time to time, by the Members of the Agency. The first Annual Meeting of Members shall be held on a date within twelve (12) months after the filing of the Certificate of the Agency with the Secretary of State as required by General Municipal Law §856 (l) (a). Each successive Annual Meeting of Members shall be held on a date not more than twelve (12) months following the preceding Annual Meeting of Members.

(b) Regular meetings of the Agency may be held at such time and place as, from time to time, may be determined by the Members.

(c) Upon the written request of the Mayor, the Chairman or two (2) Members of the Agency, the Chairman of the Agency shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings.



The call for a special meeting may be personally delivered to each Member of the Agency or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the Agency. In the absence of the Chairman, the Vice-Chairman shall preside. In the absence of both the Chairman and Vice-Chairman, any Member directed by the Chairman may preside.

(b) At all meetings of Members, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the Agency that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of business

At all meetings of the Agency, the following shall be the order of business:

- (1) Roll Call;
- (2) Proof of Notice of Meeting;
- (3) Reading and approval of the minutes of the previous meeting;
- (4) bills and communications;
- (5) Report of the Treasurer;
- (6) Reports of Committees;

- (7) Unfinished business;
- (8) New business;
- (9) Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the Agency.

(e) All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

### **Article III**

#### **OFFICERS AND PERSONNEL**

##### **Section 1. Officers**

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

##### **Section 2. Chairman or Co-Chairmen**

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-

Chairmen shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Section 3. Vice-Chairman

The Vice-Chairman shall have all the powers and functions of the Chairman or Co-Chairmen in the absence or disability of the Chairman or Co-Chairmen, as the case may be. The Vice-Chairman shall perform such other duties as the Members of the Agency shall prescribe or as delegated by the Chairman or Co-Chairmen.

Section 4. Secretary

The Secretary shall keep the minutes of the Agency, shall have the custody of the seal of the Agency and shall affix and attest the same to documents when duly authorized by the Agency, shall attest to the giving or serving of all notices of the Agency, shall have charge of such books and papers as the Members of the Agency may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to his office.

Section 5. Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Agency, shall deposit such funds in the name of the Agency, in such bank or trust company as the members of the Agency may elect, shall sign such instrument as may require the Treasurer's signature, but only with the approval of the Chairman or Co-Chairman, as the case may be, shall at all reasonable times exhibit the books and accounts of the Agency to the Mayor or any Member of

the Agency, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the Agency.

Section 6. Additional Personnel

The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.

Section 7. Compensation of Chairman, Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Co-Chairmen, Members and Officers shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the Agency.

**Article IV**

**AMENDMENTS**

Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the Agency, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by mail to each Member and the Mayor at least ten (10) days prior to the date of the meeting at which it is proposed that such action be taken; provided, however,

that this provision and other provisions relating to the appointment, renewal and terms of office of Members and officers may be amended only with the prior written approval of the Mayor.

## Article V

### MISCELLANEOUS

#### Section 1. Sureties and Bonds

In case the Agency shall so require, any officer, employee or agent of the Agency shall execute to the Agency a bond in such sum and with such surety or sureties as the Agency may direct, conditioned upon the faithful performance of his or her duties to the Agency and including responsibility for negligence and for the accounting for all property, funds or securities of the Agency which may come into the hands of the officer, employee or agent.

#### Section 2. Indemnification

(a) Upon compliance by a Member or Officer of the Agency (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Section 2 collectively as "Member") with the provisions of subdivision (i) of this Section 2, the Agency shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such Member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Agency.

(b) Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member's choice in any civil action or proceeding whenever the chief legal officer of the Agency or other counsel designated by the

Agency determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member's choice, provided, however, that the chief legal officer or other counsel designated by the Agency may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the Agency to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Agency eligible to vote thereon.

(c) Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys' fees shall be resolved by the court upon motion or by way of a special proceeding.

(d) Where the Member delivers process and a written request for a defense to the Agency under subdivision (i) of this Section 2, the Agency shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.

(e) The Agency shall indemnify and save harmless its Members in the amount of any judgment obtained against such Members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member's public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by a majority of the Members of the Agency eligible to vote thereon.

(f) Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Section 2 shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.

(g) Nothing in this subdivision shall authorize the Agency to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Agency shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of the State or of the United States.

(h) Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the chief administrative officer of the Agency; and if not inconsistent with the provisions of this Section 2, the amount of such judgment or settlement shall be paid by the Agency.

(i) The duty to defend or indemnify and save harmless prescribed by this Section 2 shall be conditioned upon: (i) delivery by the Member to the Chairman of the Agency and the chief legal officer of the Agency or to its chief administrative officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and (ii) the full cooperation of the Member in the defense of such action or

proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.

(j) The benefits of this Section shall inure only to Members as defined in subdivision (a) of this Section 2 and shall not enlarge or diminish the rights of any other party.

(k) This Section 2 shall not in any way affect the obligation of any claimant to give notice to the Agency under Section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provision of law.

(l) The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the State, against any liability imposed by the provisions of this Section 2, or to act as a self-insurer with respect thereto. The provisions of this Section 2 shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

(m) All payments made under the terms of this Section 2, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.

(n) Except as otherwise specifically provided in this Section 2, the provisions of this Section 2 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Agency by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Section 2 shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Section 2 is intended to confer upon Members of the Agency all of the benefits of Section 18 of the Public Officers Law



and to impose upon the Agency liability for costs incurred under the provisions hereof and thereof.

Section 3. Fiscal Year

The fiscal year of the Agency shall be fixed by the Members, subject to the applicable law.

Section 4. Powers of the Agency

The Agency shall have all the powers of an Industrial Development Agency authorized by Article 18-A of the General Municipal Law and shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.

**EXHIBIT "D"**

**PUBLIC HEARING RESOLUTION**

## RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on October 17, 2017, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

**PRESENT:** William Ryan, M. Catherine Richardson, Esq., Steven Thompson, Kenneth Kinsey

**EXCUSED:** Donald Schoenwald, Esq.

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Meghan Ryan, Esq.; Others Present: Lauryn LaBourde, Aggie Lane, Lentz, Richard DeVito, Robert Doucette, Robb Bidwell, Jim Mason, Mitch Latimer, Paul Reichel, Donna Harris, Suzanne Slack, Joseph Bryant, Jr, Gail Montplaiser, Emanuel Henderson, Eli Smith, Kelly Besaw, Jeremy Davidneiser, Audrey Farwayir, Walt Dixie, Sharon Owens, Walter Sheperd, Andrew Maxwell, David Delvecchio, Eric Ennis; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Kenneth Kinsey:

**RESOLUTION AUTHORIZING A PUBLIC HEARING IN CONNECTION WITH THE UNDERTAKING OF A PROJECT BY THE AGENCY AND THE ISSUANCE BY THE AGENCY OF ITS SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018**

**WHEREAS**, the City of Syracuse Industrial Development Agency (the "**Agency**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant "financial assistance" (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more "projects" (as defined in the Act); and

**WHEREAS**, Section 16(a) of Chapter 58 A-4 of the Laws of 2006 (the “*Syracuse Schools Act*”) of the State of New York (the “*State*”) provides that notwithstanding any limitations contained in the Act, a “project” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act shall be a “project” within the definition and for the purposes of the Act which may be financed by the Agency; and

**WHEREAS**, the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant to the Syracuse Schools Act and an agreement dated April 1, 2004 by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

**WHEREAS**, the JSCB, pursuant to Section 16(a) of the Syracuse Schools Act, adopted a comprehensive plan, which included the undertaking of certain “projects” (as defined in the Syracuse Schools Act) in phases; and

**WHEREAS**, by application submitted in October, 2017 (the “*Application*”), Syracuse Joint School Construction Board (the “*JSCB*”), acting as agent of the City of Syracuse, New York (the “*City*”) and the City School District of the City of Syracuse (the “*SCSD*”), requested that the Agency undertake phase II of a certain project (the “*Series 2018 Project*”) consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following exiting school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “*Buildings*”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “*Equipment*” and together with the Buildings, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018 Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project-Series 2018 Project) in an aggregate principal amount of up to \$82,000,000 (the “*Series 2018 Bonds*”).

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Series 2018 Project constitutes such an action; and

**WHEREAS**, the Agency has not yet made a determination under SEQRA; and

**WHEREAS**, the Agency has not approved undertaking the Series 2018 Project or

granting the Financial Assistance; and

**WHEREAS**, the grant of Financial Assistance to the Series 2018 Project is subject to, among other things, the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Series 2018 Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State.

**NOW, THEREFORE**, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(A) The Series 2018 Project constitutes a “project” within the meaning of the Act; and

(B) The Financial Assistance contemplated with respect to the Series 2018 Project consists of assistance in the form of exemptions from real property taxes, State and local sales and use taxation and mortgage recording tax.

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Series 2018 Project and Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Series 2018 Project is located.

(3) The Secretary or the Executive Director of the Agency is hereby authorized to and may distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(4) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

|                         | <u>AYE</u> | <u>NAY</u> |
|-------------------------|------------|------------|
| William Ryan            | X          |            |
| M. Catherine Richardson | X          |            |
| Steven Thompson         | X          |            |
| Kenneth Kinsey          | X          |            |

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )


I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on October 17, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this 21<sup>st</sup> day of November, 2017.

City of Syracuse Industrial Development Agency

  
\_\_\_\_\_  
Steven P. Thompson, Secretary

(S E A L)

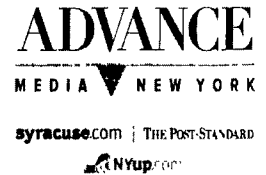
**EXHIBIT "E"**

**PROOF OF PUBLICATION OF A NOTICE OF THE PUBLIC HEARING;  
PROOF OF MAILING OF NOTICE TO THE CHIEF EXECUTIVE  
OFFICERS OF THE AFFECTED TAX JURISDICTIONS;  
COPY OF THE TRANSCRIPT OF PUBLIC HEARING**

# THE POST-STANDARD

## LEGAL AFFIDAVIT

INV# 0008418240



BARCLAY DAMON LLP  
LAUREN A PISTELL  
125 E JEFFERSON ST  
SYRACUSE, NY 13202

Name: BARCLAY DAMON LLP

Sales Rep: Pamela Gallagher

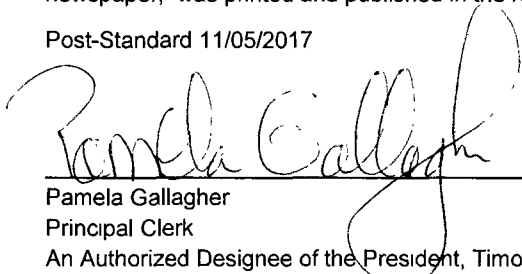
Account Number: 1056027

INV# 0008418240

| Date       | Position        | Description   | P.O. Number            | Ad Size       |
|------------|-----------------|---|------------------------|---------------|
| 11/05/2017 | Other Legals NY | NOTICE OF PUBLIC HEARING<br>NOTICE IS HEREBY GIVEN that | billing matter #300882 | 1 x 138.00 CL |

State of New York, County of Onondaga ss. Pamela Gallagher, of the City of Syracuse, in said County, being duly sworn, doth depose and says: this person is the Principal Clerk in the office of THE POST-STANDARD, a public newspaper, published in the City of Syracuse, Onondaga County, New York and that the notice, is an accurate and true copy of the ad as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following days, viz.:

Post-Standard 11/05/2017



---

Pamela Gallagher  
Principal Clerk

An Authorized Designee of the President, Timothy R. Kennedy  
Subscribed and sworn to before me, this 6th day of November  
2017



---

NOTARY PUBLIC

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
PLEASE CONTACT PAMELA GALLAGHER AT  
(315) 470-2051 OR Legals@Syracuse.com

HEIDI A. STEPHENS  
Notary Public - State of New York  
No. 01ST6290718  
Qualified in Onondaga County,  
My Commission Expires: 10/7/2021



| Date       | Position        | Description   | P.O. Number            | Ad Size       |
|------------|-----------------|---|------------------------|---------------|
| 11/05/2017 | Other Legals NY | NOTICE OF PUBLIC HEARING<br>NOTICE IS HEREBY GIVEN that a | billing matter #300882 | 1 x 138.00 CL |

**NOTICE OF PUBLIC HEARING** NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 21st day of November, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter: The Syracuse Joint Schools Construction Board (the "JSCB") acting as agent of the City of Syracuse, New York (the "City") and the City of Syracuse School District (the "SCSD"), requested the Agency issue one or more series of its Tax-Exempt and/or Taxable School Facility Revenue Bonds (Syracuse City School District Project), Series 2018 in an aggregate principal amount of up to \$82,000,000 (the "Series 2018 Bonds") for the purpose of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "Buildings"); (ii) the reconstruction, renovation, rehabilitation and improvements of the Buildings; including but not limited to, some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping (the "Improvements"); and (iii) the construction of an approximately 2,757

approximately 2,757 square foot addition to the Ed Smith Pre-K-8 School gymnasium (the "Addition" and together with the Buildings and the Improvements, collectively, the "Facility"); (B) the acquisition and installation in and around the Facility of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "Equipment" and together with the Facility, the "Project Facility") necessary and attendant to the use of the Project Facility as schools by the City and the SCSD; and (C) the pay certain costs of issuance of the Series 2018 Bonds, costs of credit enhancement, if any, funding capitalized interest, if any, for the Project (as defined herein) and funding a debt service reserve fund, if any (the foregoing collectively referred to as the "Project"). The JSCB shall be the initial owner or operator of the Project Facility. The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the JSCB, the proposed owner/operator, the location of the Project Facility and the nature of the Project. A copy of the application filed by the JSCB with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7th Floor, Syracuse, New York. Dated: November

2, 2017 CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 21<sup>st</sup> day of November, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

The Syracuse Joint Schools Construction Board (the "JSCB") acting as agent of the City of Syracuse, New York (the "City") and the City of Syracuse School District (the "SCSD"), requested the Agency issue one or more series of its Tax-Exempt and/or Taxable School Facility Revenue Bonds (Syracuse City School District Project), Series 2018 in an aggregate principal amount of up to \$82,000,000 (the "Series 2018 Bonds") for the purpose of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "Buildings"); (ii) the reconstruction, renovation, rehabilitation and improvements of the Buildings; including but not limited to, some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping (the "Improvements"); and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium (the "Addition" and together with the Buildings and the Improvements, collectively, the "Facility"); (B) the acquisition and installation in and around the Facility of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "Equipment" and together with the Facility, the "Project Facility") necessary and attendant to the use of the Project Facility as schools by the City and the SCSD; and (C) the pay certain costs of issuance of the Series 2018 Bonds, costs of credit enhancement, if any, funding capitalized interest, if any, for the Project (as defined herein) and funding a debt service reserve fund, if any (the foregoing collectively referred to as the "Project").

The JSCB shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the JSCB, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the JSCB with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York.

Dated: November 2, 2017

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

BARCLAY DAMON<sup>LLP</sup>

Susan R. Katzoff  
Partner

November 2, 2017

**VIA CERTIFIED MAIL**  
7016 3010 0001 1675 7964

Honorable Stephanie A. Miner  
Mayor, City of Syracuse  
City Hall  
233 East Washington Street  
Syracuse, New York 13202

**VIA CERTIFIED MAIL**  
7016 3010 0001 1675 7957

Honorable Joanne M. Mahoney  
County Executive, Onondaga County  
John Mulroy Civic Center, 14<sup>th</sup> Floor  
421 Montgomery Street  
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency (the "**Agency**")  
The Joint Schools Construction Board on behalf of the City of Syracuse  
and the Syracuse City School District (the "**Company**")  
School Facility Revenue Refunding Bonds (Syracuse City School District  
Project), Series 2018

Dear Mayor and County Executive:

Enclosed herewith please find a Notice of Public Hearing in relation to the above-referenced project. The Syracuse Joint Schools Construction Board (the "**JSCB**") acting as agent of the City of Syracuse, New York (the "**City**") and the Syracuse City School District (the "**SCSD**"), requested the Agency issue one or more series of its Tax-Exempt and/or Taxable School Facility Revenue Bonds (Syracuse City School District Project), Series 2018 in an aggregate principal amount of up to \$82,000,000 (the "**Series 2018 Bonds**") for the purpose of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements of the Buildings; including but not limited to, some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping (the "**Improvements**"); and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium (the "**Addition**" and together with the Buildings and

November 2, 2017

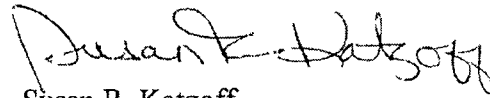
Page 2

the Improvements, collectively, the "**Facility**"; (B) the acquisition and installation in and around the Facility of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**" and together with the Facility, the "**Project Facility**") necessary and attendant to the use of the Project Facility as schools by the City and the SCSD; and (C) the pay certain costs of issuance of the Series 2018 Bonds, costs of credit enhancement, if any, funding capitalized interest, if any, for the Project (as defined herein) and funding a debt service reserve fund, if any (the foregoing collectively referred to as the "**Project**").

General Municipal Law Section 859-a requires that notice of the Public Hearing be given to the chief executive officer of each affected tax jurisdiction in which the Project is located.

As stated in the notice, the public hearing is scheduled for **November 21, 2017** at 8:30 a.m. in the Common Council Chambers at City Hall.

Very truly yours,



Susan R. Katzoff

SRK/llm  
Enclosure

cc: Meghan Ryan, Esq., City of Syracuse, via email (w/Enclosure)  
Honora Spillane, City of Syracuse Industrial Development Agency, via email (w/Enclosure)  
Judy DeLaney, City of Syracuse Industrial Development Agency, via email (w/Enclosure)

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 21<sup>st</sup> day of November, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

The Syracuse Joint Schools Construction Board (the "JSCB") acting as agent of the City of Syracuse, New York (the "City") and the City of Syracuse School District (the "SCSD"), requested the Agency issue one or more series of its Tax-Exempt and/or Taxable School Facility Revenue Bonds (Syracuse City School District Project), Series 2018 in an aggregate principal amount of up to \$82,000,000 (the "Series 2018 Bonds") for the purpose of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "Buildings"); (ii) the reconstruction, renovation, rehabilitation and improvements of the Buildings; including but not limited to, some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping (the "Improvements"); and (iii) the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium (the "Addition" and together with the Buildings and the Improvements, collectively, the "Facility"); (B) the acquisition and installation in and around the Facility of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "Equipment" and together with the Facility, the "Project Facility") necessary and attendant to the use of the Project Facility as schools by the City and the SCSD; and (C) the pay certain costs of issuance of the Series 2018 Bonds, costs of credit enhancement, if any, funding capitalized interest, if any, for the Project (as defined herein) and funding a debt service reserve fund, if any (the foregoing collectively referred to as the "Project").

The JSCB shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the JSCB, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the JSCB with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7<sup>th</sup> Floor, Syracuse, New York.

Dated: November 2, 2017

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. A

Honorable Stephanie A. Miner  
Mayor, City of Syracuse  
233 East Washington Street  
Syracuse, New York 13202



9590 9402 2491 6306 6650 59

2. Article Number (Transfer from service label)

7016 3010 0001 1675 7964

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

x *Stephanie A. Miner*  Agent  Addressee

B. Received by (Printed Name)

*Stephanie A. Miner* C. Date of Delivery *11/19/11*

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Honorable Joanne M. Mahoney  
County Executive, Onondaga County  
John Mulroy Civic Center, 14<sup>th</sup> Floor  
421 Montgomery Street  
Syracuse, New York 13202



9590 9402 2491 6306 6650 66

2. Article Number (Transfer from service label)

7016 3010 0001 1675 7957

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

x *M. Valentino*  Agent  Addressee

B. Received by (Printed Name)

*M. Valentino* C. Date of Delivery *NOV 03 2011*

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

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Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

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City, State, Zip+4® \_\_\_\_\_

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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Certified Mail Fee \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To *Mayor*

Street and Apt. No., or PO Box No. \_\_\_\_\_

City, State, Zip+4® \_\_\_\_\_

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, NY 13202  
Tel (315) 473-3275

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**Transcript of Public Hearing**  
**Tuesday November 21, 2017**

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**Board Members Present:** William Ryan, M. Catherine Richardson, Esq., Stephen Thompson, Kenneth Kinsey,  
**Staff Present:** Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese,  
Meghan Ryan, Esq.

**Others Present:** Lauryn LaBourde, Aggie Lane, Barry Lentz, Jim Mason, Mitch Latimer, Paul Reichel Esq. , Gail  
Montplaisir, Sharon Owens, David Delvecchio, Kevin Schwab, Kate Shalen, Chris Cory, Matthew Paulus, Michael  
Palermo, Mel Menon, Steve Case, Tom Hornstein, Chris Hornstein, Sam Milnamon, Patrona Jones- Roesur,  
Charles Sangster, Erik Tanner, Eli Smith, Emmanuel Henderson, El Java Abdul-Qadir.

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**I. Public Hearing**

**Joint School Construction Board**

Mr. Ryan opened the Public Hearing at 8:33 a.m. by reading verbatim the Notice of Public Hearing on the Project. A copy of the notice is attached and included in the minutes. He then asked if anyone in attendance wished to speak in favor of the Project.

David Delvecchio, the Commissioner of Finance for the City of Syracuse spoke in favor. Mr. DelVecchio noted the bonds (\$82,000,000.00) will be used to renovate four schools, Bellevue, Grant, Frazer, and Ed Smith. He noted a Phase 2 will commence in the spring.

Mr. Ryan asked if anyone else in attendance wished to speak in favor of the Project. No one spoke. He asked an additional two times if anyone else in attendance wished to speak in favor. No one spoke.

Mr. Ryan noted that Phase I of Joint School Construction Plan was now completed.

He then asked if anyone in attendance wish to speak in opposition of the project. No one spoke. He asked an additional two more time if anyone in attendance wished to speak in opposition of the project. No one spoke in opposition to the project.

Mr. Ryan closed the Public Hearing at 9:07 a.m.

**EXHIBIT "F"**  
**SEQRA LEAD AGENCY RESOLUTION**



## RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on November 21, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

**PRESENT:** William Ryan, M. Catherine Richardson, Steven Thompson, Kenneth Kinsey

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Meghan Ryan, Esq.; Others Present: Lauryn LaBourde, Aggie Lane, Barry Lentz, Jim Mason, Mitch Latimer, Paul Reichel Esq., Gail Montplaisir, Sharon Owens, David Delvecchio, Kevin Schwab, Kate Shalen, Chris Cory, Matthew Paulus, Michael Palermo, Mel Menon, Steve Case, Tom Hornstein, Chris Hornstein, Sam Milnamon, Patrona Jones-Roesur, Charles Sangster, Erik Tanner, Eli Smith, Emmanuel Henderson, El Java Abdul-Qadir.

The following resolution was offered by M. Catherine Richardson and seconded by Kenneth Kinsey:

### **RESOLUTION CLASSIFYING A CERTAIN PROJECT AS A TYPE I ACTION AND DECLARING THE INTENT OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY TO BE LEAD AGENCY FOR PURPOSES OF A COORDINATED REVIEW PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT**

**WHEREAS**, the City of Syracuse Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the “*Act*”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to

advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, by application submitted in October, 2017 (the “*Application*”), Syracuse Joint School Construction Board (the “*JSCB*”), acting as agent of the City of Syracuse, New York (the “*City*”) and the City School District of the City of Syracuse (the “*SCSD*”), requested that the Agency undertake phase II of a certain project (the “*Series 2018 Project*”) consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following exiting school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “*Buildings*”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “*Equipment*” and together with the Buildings, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and(C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018 Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project-Series 2018 Project) in an aggregate principal amount of up to \$82,000,000 (the “*Series 2018 Bonds*”); and

**WHEREAS**, JSCB has indicated that it also intends to apply for additional financial assistance from the Agency in the next few months in furtherance of the Series 2018 Project for the renovation, reconstruction, and rehabilitation of the existing school buildings currently or formerly known as Fowler High School, Westside Academy at Blodgett, and Huntington Pre-K-8 School, which improvements shall include, but not be limited to, the following: interior and exterior site improvements, new electrical, plumbing and mechanical systems, roofing, security upgrades, windows, new athletic fields, pool renovations, locker room renovations, and masonry repairs (together with the Buildings, the “*Project*”); and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA) and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

**WHEREAS**, to aid the Agency in determining whether the Project may have a significant impact upon the environment, JSCB has prepared and submitted to the Agency an Environmental Assessment Form (the “*EAF*”) with respect to the Project; and

**WHEREAS**, the Agency has not approved the Project; and

**NOW, THEREFORE**, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(1) Based upon an examination of the EAF prepared by the Company, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency’s knowledge of the area surrounding the Project, all the representations made by JSCB in connection with the Project, and such further investigation of the Project and its environmental impacts as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project pursuant to SEQRA:

(A) The Project consists of the components described above in the third and fourth WHEREAS clauses of this resolution; and

(B) The Project constitutes a “Type I Action” (as said quoted term is defined in SEQRA); and

(C) As a consequence of the foregoing, the Agency hereby declares its intent to act as “Lead Agency” (as said term is defined in SEQRA) with respect to a coordinated environmental review of the Project pursuant to SEQRA; and

(D) The Agency’s counsel shall arrange for publication and distribution of its notice of intent to be “Lead Agency” and is hereby authorized to take such actions as are necessary and appropriate to assist the Agency in fulfilling the requirements under SEQRA for the Project and to work with JSCB’s environmental consultant in connection therewith.

(2) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(3) This Resolution shall take effect immediately

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

|                         | <u>AYE</u> | <u>NAY</u> |
|-------------------------|------------|------------|
| William Ryan            | X          |            |
| M. Catherine Richardson | X          |            |
| Steven Thompson         | X          |            |
| Kenneth Kinsey          | X          |            |

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )


I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on November 21, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this 29<sup>th</sup> day of December, 2017.

City of Syracuse Industrial Development Agency

  
\_\_\_\_\_  
Steven P. Thompson, Secretary

(S E A L)

**EXHIBIT "G"**  
**SEQRA RESOLUTION**

## SEQRA RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 16, 2018 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

**PRESENT:** Michael Frame, Steven Thompson, Rickey Brown, Kenneth Kinsey, Kathy Murphy

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Debbie Ramsey-Burns; Others Present: Stephanie Pasquale, Barry Lentz, Mitch Latimer, Mel Menon, Donna Harris, Alex Grant, Greg Loh

The following resolution was offered by Kenneth Kinsey and seconded by Steven Thompson:

### **RESOLUTION DETERMINING THAT THE UNDERTAKING OF A CERTAIN PROJECT AT THE REQUEST OF THE SYRACUSE JOINT SCHOOL CONSTRUCTION BOARD WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT**

**WHEREAS**, the City of Syracuse Industrial Development Agency (the "**Agency**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

**WHEREAS**, by application submitted in October, 2017 (the "**Application**"), Syracuse Joint School Construction Board (the "**JSCB**"), acting as agent of the City of Syracuse, New York (the "**City**") and the City School District of the City of Syracuse (the "**SCSD**"), requested that the Agency undertake phase II of a certain project (the "**Series 2018 Project**") consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical,

accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “*Equipment*” and together with the Buildings, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018 Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project-Series 2018 Project) in an aggregate principal amount of up to \$82,000,000 (the “*Series 2018 Bonds*”); and

**WHEREAS**, JSCB has indicated that it also intends to apply for additional financial assistance from the Agency in the next few months in furtherance of the Series 2018 Project for the renovation, reconstruction, and rehabilitation of the existing school buildings currently or formerly known as Fowler High School, Westside Academy at Blodgett, and Huntington Pre-K-8 School, which improvements shall include, but not be limited to, the following: interior and exterior site improvements, new electrical, plumbing and mechanical systems, roofing, security upgrades, windows, new athletic fields, pool renovations, locker room renovations, and masonry repairs (together with the Buildings and Series 2018 Project, the “*Project*”); and

**WHEREAS**, pursuant to State Environmental Quality Review Act (“*SEQRA*”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as defined by SEQRA) to be taken by the Agency and the approval of the Project and grant of Financial Assistance constitute such an action; and

**WHEREAS**, to aid the Agency in determining whether the acquisition, construction, and equipping of the Project may have a significant effect upon the environment, JSCB has prepared and submitted to the Agency an Environmental Assessment Form (the “*EAF*”), and copies of said EAF are on file in the office of the Agency and are readily accessible to the public; and

**WHEREAS**, by resolution adopted November 21, 2017 (the “*Lead Agency Resolution*”), the Agency classified the Project as a Type 1 Action and declared the intent of the Agency to be lead agency for the purposes of a conducting a coordinated environmental review pursuant to SEQRA; and

**WHEREAS**, as a result of its careful review and examination of the Project, the Agency finds that, on balance, and after careful consideration of all relevant Project documentation, it has more than adequate information to evaluate all of the relevant benefits and potential impacts; and

**WHEREAS**, the Agency has prepared a negative declaration that summarizes its consideration of various factors in accordance with SEQRA; and

**NOW, THEREFORE**, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

- (1) Based upon an examination of the EAF prepared by JCSB, the criteria contained



in 6 NYCRR §617.7(c), and based further upon the Agency's knowledge of the area surrounding the Project Facility, all the representations made by JSCB in connection with the Project, and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project pursuant to SEQRA:

(a) The Project consists of the components described above in the second and third WHEREAS clauses of this resolution and constitutes a "project" as such term is defined in the Act;

(b) The Project constitutes a "Type 1 Action" (as said quoted term is defined in SEQRA);

(c) The Agency declared itself "Lead Agency" (as said quoted term is defined in SEQRA) with respect to a coordinated review of the Project pursuant to SEQRA;

(d) The Project will not have a significant effect on the environment, and the Agency will not require the preparation of an Environmental Impact Statement with respect to the Project; and

(e) As a consequence of the foregoing, the Agency has prepared a Negative Declaration with respect to the Project, a copy of which is attached hereto as **Exhibit "A"**, which shall be filed in the office of the Agency in a file that is readily accessible to the public.

(2) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(3) The Secretary of the Agency is hereby authorized and directed to distribute copies of this Resolution to JSCB and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

|                 | <u>AYE</u> | <u>NAY</u> |
|-----------------|------------|------------|
| Michael Frame   | X          |            |
| Steven Thompson | X          |            |
| Rickey Brown    | X          |            |
| Kenneth Kinsey  | X          |            |
| Kathy Murphy    | X          |            |

The foregoing resolution was thereupon declared duly adopted.

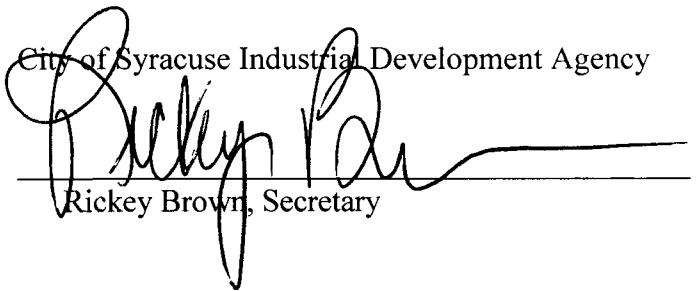
STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 16, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the Agency this 5<sup>th</sup> day of February, 2018.

City of Syracuse Industrial Development Agency  
  
\_\_\_\_\_  
Rickey Brown, Secretary

(S E A L)

**EXHIBIT "A"**

**NEGATIVE DECLARATION**

**Full Environmental Assessment Form  
Part 1 - Project and Setting**

**Instructions for Completing Part 1**

**Part 1 is to be completed by the applicant or project sponsor.** Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the project sponsor to verify that the information contained in Part 1 is accurate and complete.

**A. Project and Sponsor Information.**

|   |                                    |                           |
|---|------------------------------------|---------------------------|
| <b>Name of Action or Project:</b><br>Syracuse City Schools Joint Schools Construction Board Comprehensive Plan Projects   |                                    |                           |
| <b>Project Location (describe, and attach a general location map):</b><br>The project occurs at seven separate schools within the City of Syracuse School District (See Attached Figure 1)  |                                    |                           |
| <b>Brief Description of Proposed Action (include purpose or need):</b><br>The City of Syracuse Joint Schools Construction Board proposes improvements to seven schools within the City of Syracuse School District. Project descriptions at each school are provided in the attached Part 1 - Additional Information. |                                    |                           |
| <b>Name of Applicant/Sponsor:</b><br>Syracuse City Schools Joint Schools Construction Board   | <b>Telephone:</b>                  |                           |
|   | <b>E-Mail:</b>                     |                           |
| <b>Address:</b> 233 East Washington Street, Room 300 Law Department   |                                    |                           |
| <b>City/PO:</b> Syracuse  | <b>State:</b> NY                   | <b>Zip Code:</b> 13202    |
| <b>Project Contact (if not same as sponsor; give name and title/role):</b><br>Mary E. Robison, PE, City Engineer, City of Syracuse  | <b>Telephone:</b> 315-448-8200     |                           |
|   | <b>E-Mail:</b> mrobison@syrgov.net |                           |
| <b>Address:</b><br>233 East Washington Street, 401 City Hall  |                                    |                           |
| <b>City/PO:</b><br>Syracuse   | <b>State:</b><br>NY                | <b>Zip Code:</b><br>13202 |
| <b>Property Owner (if not same as sponsor):</b>   | <b>Telephone:</b>                  |                           |
|   | <b>E-Mail:</b>                     |                           |
| <b>Address:</b>   |                                    |                           |
| <b>City/PO:</b>   | <b>State:</b>                      | <b>Zip Code:</b>          |

**B. Government Approvals**

| <b>B. Government Approvals, Funding, or Sponsorship.</b> ("Funding" includes grants, loans, tax relief, and any other forms of financial assistance.) |   |   |
|---|---|---|
| <b>Government Entity</b>  | <b>If Yes: Identify Agency and Approval(s) Required</b>                 | <b>Application Date (Actual or projected)</b>                       |
| a. City Council, Town Board, or Village Board of Trustees <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                         | City of Syracuse - SWPPP MS4 approval, ROW approval, Local Flood Permit | Pending   |
| b. City, Town or Village Planning Board or Commission <input type="checkbox"/> Yes <input type="checkbox"/> No  |   |   |
| c. City Council, Town or Village Zoning Board of Appeals <input type="checkbox"/> Yes <input type="checkbox"/> No                                     |   |   |
| d. Other local agencies <input type="checkbox"/> Yes <input type="checkbox"/> No  |   |   |
| e. County agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | WEP - approval for work in ROW, discharge permit, OCDOH - DOH 347       | Pending   |
| f. Regional agencies <input type="checkbox"/> Yes <input type="checkbox"/> No   |   |   |
| g. State agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   | SED permit & approval of funding, DEC SWPPP, SHPO                       | Pending, Received   |
| h. Federal agencies <input type="checkbox"/> Yes <input type="checkbox"/> No  |   |   |
| i. Coastal Resources.   |   |   |
| i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway?   |   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| ii. Is the project site located in a community with an approved Local Waterfront Revitalization Program?  |   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| iii. Is the project site within a Coastal Erosion Hazard Area?  |   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

**C. Planning and Zoning**

| <b>C.1. Planning and zoning actions.</b>   |   |
|--|---|
| Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed?  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <ul style="list-style-type: none"> <li>If Yes, complete sections C, F and G.</li> <li>If No, proceed to question C.2 and complete all remaining sections and questions in Part 1</li> </ul>  |   |
| <b>C.2. Adopted land use plans.</b>  |   |
| a. Do any municipally- adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway Brownfield Opportunity Area (BOA); designated State or Federal heritage area; watershed management plan; or other?)  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, identify the plan(s):<br>Onondaga County Stormwater Management (SWMP) Plan, Onondaga Lake Watershed Progress Assessment and Action Strategies  |   |
| _____  |   |
| _____  |   |
| c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, identify the plan(s):<br>While there is no agricultural land located at the project sites, the project sites are located within the City of Syracuse which is located within Onondaga County and therefore encompassed within the adopted Onondaga County Agricultural and Farmland Protection Plan. |   |
| _____  |   |
| _____  |   |

|  |   |
|--|---|
| <b>C.3. Zoning</b>   |   |
| a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance.<br>If Yes, what is the zoning classification(s) including any applicable overlay district?<br>See Part 1 - Additional Information | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| b. Is the use permitted or allowed by a special or conditional use permit?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| c. Is a zoning change requested as part of the proposed action?<br>If Yes,   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| i. What is the proposed new zoning for the site?   | _____   |
| <b>C.4. Existing community services.</b>   |   |
| a. In what school district is the project site located?  | Syracuse City School District   |
| b. What police or other public protection forces serve the project site?   | Syracuse Police Department  |
| c. Which fire protection and emergency medical services serve the project site?  | Syracuse Fire Departments (fire protection and emergency medical services)  |
| d. What parks serve the project site?  | Many nearby parks including but not limited to: Burnet, Lipe Art, Skiddy, Ward Bakery, Wadsworth, Onondaga, Barry, Morningside Heights, Westminster, Thornden, Frazer, Leavenworth, Huntington, Sunnycrest, Lincoln, Schiller, Alvord, McChesney, Grace & Messina Parks and Rosamond Gifford Zoo. |

**D. Project Details**

|  |   |
|--|---|
| <b>D.1. Proposed and Potential Development</b>   |   |
| a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)?                          | Improvements to public schools, athletic fields, school grounds, and associated infrastructure. |
| b. a. Total acreage of the site of the proposed action?  | 2-21 acres  |
| b. Total acreage to be physically disturbed?   | 37 acres  |
| c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?   | 66 acres  |
| c. Is the proposed action an expansion of an existing project or use?  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)?                           | % _____ Units: _____  |
| d. Is the proposed action a subdivision, or does it include a subdivision?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| If Yes,  |   |
| i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types)  | _____   |
| ii. Is a cluster/conservation layout proposed?   | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| iii. Number of lots proposed?  | _____   |
| iv. Minimum and maximum proposed lot sizes? Minimum _____ Maximum _____  |   |
| e. Will proposed action be constructed in multiple phases?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| i. If No, anticipated period of construction:  | 24 months   |
| ii. If Yes:  |   |
| • Total number of phases anticipated   | _____   |
| • Anticipated commencement date of phase 1 (including demolition)  | _____ month _____ year  |
| • Anticipated completion date of final phase   | _____ month _____ year  |
| • Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: | _____   |

f. Does the project include new residential uses?  Yes  No  
 If Yes, show numbers of units proposed.

|                             | One Family | Two Family | Three Family | Multiple Family (four or more) |
|-----------------------------|------------|------------|--------------|--------------------------------|
| Initial Phase               | _____      | _____      | _____        | _____                          |
| At completion of all phases | _____      | _____      | _____        | _____                          |

g. Does the proposed action include new non-residential construction (including expansions)?  Yes  No  
 If Yes,  
 i. Total number of structures 3  
 ii. Dimensions (in feet) of largest proposed structure: 19 height; 32 width; and 104 length  
 iii. Approximate extent of building space to be heated or cooled: 3,328 square feet

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage?  Yes  No  
 If Yes,  
 i. Purpose of the impoundment: s  
 ii. If a water impoundment, the principal source of the water:  Ground water  Surface water streams  Other specify:  
 \_\_\_\_\_  
 iii. If other than water, identify the type of impounded/contained liquids and their source.  
 \_\_\_\_\_  
 iv. Approximate size of the proposed impoundment. Volume: \_\_\_\_\_ million gallons; surface area: \_\_\_\_\_ acres  
 v. Dimensions of the proposed dam or impounding structure: \_\_\_\_\_ height; \_\_\_\_\_ length  
 vi. Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete):  
 \_\_\_\_\_

**D.2. Project Operations**

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both?  Yes  No  
 (Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite)  
 If Yes:  
 i. What is the purpose of the excavation or dredging? To achieve finish grade elevations at Fowler, soil is not suitable for proposed structures  
 ii. How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?  
 • Volume (specify tons or cubic yards): 43,000 cubic yards at Fowler, no removal at other 6 sites  
 • Over what duration of time? 6 months (July - December 2018) at Fowler site  
 iii. Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them.  
Typical urban fill, clay, and sand.  
 \_\_\_\_\_  
 iv. Will there be onsite dewatering or processing of excavated materials?  Yes  No  
 If yes, describe. filtered and discharged to County CSO per permit approval.  
 \_\_\_\_\_  
 v. What is the total area to be dredged or excavated? 8 acres  
 vi. What is the maximum area to be worked at any one time? 8 acres  
 vii. What would be the maximum depth of excavation or dredging? 7 feet  
 viii. Will the excavation require blasting?  Yes  No  
 ix. Summarize site reclamation goals and plan: \_\_\_\_\_  
none, material is not acceptable for re-use.  
 \_\_\_\_\_

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area?  Yes  No  
 If Yes:  
 i. Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): Harbor Brook is mapped in the vicinity of the Improvements for Fowler school site, however this stream was channelized underneath the property years ago. The project will be designed to avoid impacts to underground water infrastructure.  
 \_\_\_\_\_



ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

iii. Will proposed action cause or result in disturbance to bottom sediments?  Yes  No  
 If Yes, describe: \_\_\_\_\_

iv. Will proposed action cause or result in the destruction or removal of aquatic vegetation?  Yes  No  
 If Yes:

- acres of aquatic vegetation proposed to be removed: \_\_\_\_\_
- expected acreage of aquatic vegetation remaining after project completion: \_\_\_\_\_
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): \_\_\_\_\_
- proposed method of plant removal: \_\_\_\_\_
- if chemical/herbicide treatment will be used, specify product(s): \_\_\_\_\_

v. Describe any proposed reclamation/mitigation following disturbance: \_\_\_\_\_

c. Will the proposed action use, or create a new demand for water?  Yes  No  
 If Yes:

i. Total anticipated water usage/demand per day: Fowler: ~2,100 (10-15 times/year) gallons/day

ii. Will the proposed action obtain water from an existing public water supply?  Yes  No  
 If Yes:

- Name of district or service area: City of Syracuse
- Does the existing public water supply have capacity to serve the proposal?  Yes  No
- Is the project site in the existing district?  Yes  No
- Is expansion of the district needed?  Yes  No
- Do existing lines serve the project site?  Yes  No

iii. Will line extension within an existing district be necessary to supply the project?  Yes  No  
 If Yes:

- Describe extensions or capacity expansions proposed to serve this project: Small laterals will likely be installed from the street to the site of the proposed new concession stand, bathrooms, and team rooms at Fowler.
- Source(s) of supply for the district: Skaneateles Lake

iv. Is a new water supply district or service area proposed to be formed to serve the project site?  Yes  No  
 If, Yes:

- Applicant/sponsor for new district: \_\_\_\_\_
- Date application submitted or anticipated: \_\_\_\_\_
- Proposed source(s) of supply for new district: \_\_\_\_\_

v. If a public water supply will not be used, describe plans to provide water supply for the project: \_\_\_\_\_

vi. If water supply will be from wells (public or private), maximum pumping capacity: \_\_\_\_\_ gallons/minute.

d. Will the proposed action generate liquid wastes?  Yes  No  
 If Yes:

i. Total anticipated liquid waste generation per day: ~2,130 (15 x/year) gallons/day

ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each): \_\_\_\_\_  
Sanitary wastewater generated by the proposed new bathrooms, team rooms, and concession stand at Fowler.

iii. Will the proposed action use any existing public wastewater treatment facilities?  Yes  No  
 If Yes:

- Name of wastewater treatment plant to be used: Metropolitan Syracuse Wastewater Treatment Plant
- Name of district: The sanitary sewer district in the City of Syracuse designated for wastewater in this area.
- Does the existing wastewater treatment plant have capacity to serve the project?  Yes  No
- Is the project site in the existing district?  Yes  No
- Is expansion of the district needed?  Yes  No

• Do existing sewer lines serve the project site?  Yes  No  
 • Will line extension within an existing district be necessary to serve the project?  Yes  No  
 If Yes:  
 • Describe extensions or capacity expansions proposed to serve this project: \_\_\_\_\_  
 Fowler - Small laterals will likely have to be installed from the street to the site of the proposed concession stand, bathrooms, and team rooms.

iv. Will a new wastewater (sewage) treatment district be formed to serve the project site?  Yes  No  
 If Yes:  
 • Applicant/sponsor for new district: \_\_\_\_\_  
 • Date application submitted or anticipated: \_\_\_\_\_  
 • What is the receiving water for the wastewater discharge? \_\_\_\_\_  
 v. If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water (name and classification if surface discharge, or describe subsurface disposal plans):  
 Not applicable

vi. Describe any plans or designs to capture, recycle or reuse liquid waste: \_\_\_\_\_  
 There are no plans to capture, recycle or reuse liquid waste.

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e. ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e. sheet flow) during construction or post construction?  Yes  No  
 If Yes:  
 i. How much impervious surface will the project create in relation to total size of project parcel?  
 \_\_\_\_\_ Square feet or 5.9 acres (impervious surface)  
 \_\_\_\_\_ Square feet or 85.81 acres (parcel size)  
 ii. Describe types of new point sources. No new point sources will be created

iii. Where will the stormwater runoff be directed (i.e. on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?  
 Directed towards the City of Syracuse stormwater system

• If to surface waters, identify receiving water bodies or wetlands: \_\_\_\_\_  
 Not applicable

• Will stormwater runoff flow to adjacent properties?  Yes  No

iv. Does proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater?  Yes  No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations?  Yes  No  
 If Yes, identify:  
 i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)  
 No new mobile sources are anticipated.  
 ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)  
 Power generation, temporary heaters  
 iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)  
 No new stationary sources; project does include some replacement/upgrades to existing stationary sources (boilers, furnaces, and/or unit heaters)

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit?  Yes  No  
 If Yes:  
 i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year)  Yes  No  
 ii. In addition to emissions as calculated in the application, the project will generate:
 

- \_\_\_\_\_ Tons/year (short tons) of Carbon Dioxide (CO<sub>2</sub>)
- \_\_\_\_\_ Tons/year (short tons) of Nitrous Oxide (N<sub>2</sub>O)
- \_\_\_\_\_ Tons/year (short tons) of Perfluorocarbons (PFCs)
- \_\_\_\_\_ Tons/year (short tons) of Sulfur Hexafluoride (SF<sub>6</sub>)
- \_\_\_\_\_ Tons/year (short tons) of Carbon Dioxide equivalent of Hydrofluorocarbons (HFCs)
- \_\_\_\_\_ Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)?  Yes  No

If Yes:

i. Estimate methane generation in tons/year (metric): \_\_\_\_\_

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): \_\_\_\_\_

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i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations?  Yes  No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust): \_\_\_\_\_

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j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services?  Yes  No

If Yes:

i. When is the peak traffic expected (Check all that apply):  Morning  Evening  Weekend  
 Randomly between hours of \_\_\_\_\_ to \_\_\_\_\_.

ii. For commercial activities only, projected number of semi-trailer truck trips/day: \_\_\_\_\_

iii. Parking spaces: Existing \_\_\_\_\_ Proposed \_\_\_\_\_ Net increase/decrease \_\_\_\_\_

iv. Does the proposed action include any shared use parking?  Yes  No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe: \_\_\_\_\_

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vi. Are public/private transportation service(s) or facilities available within 1/2 mile of the proposed site?  Yes  No

vii. Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles?  Yes  No

viii. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes?  Yes  No

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k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy?  Yes  No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action: \_\_\_\_\_

See Part 1 - Additional Information

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other):  
 via grid/local utility

iii. Will the proposed action require a new, or an upgrade to, an existing substation?  Yes  No

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l. Hours of operation. Answer all items which apply.

|                         |                             |                        |  |
|-------------------------|-----------------------------|------------------------|--|
| i. During Construction: |                             | ii. During Operations: |  |
| • Monday - Friday:      | <u>Generally 7am to 6pm</u> | • Monday - Friday:     | <u>7am to 5 pm plus evening events</u> |
| • Saturday:             | <u>Not anticipated</u>      | • Saturday:            | <u>7am to 5 pm plus evening events</u> |
| • Sunday:               | <u>Not anticipated</u>      | • Sunday:              | <u>Typically closed</u>                |
| • Holidays:             | <u>Not anticipated</u>      | • Holidays:            | <u>Typically closed</u>                |

m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both?  Yes  No

If yes:

i. Provide details including sources, time of day and duration:  
Intermittent construction noise could exceed ambient noise levels for short periods of time during daytime construction activities. Once operational, noise levels similar to that of the existing school facility will be produced, as the site will continue to function as a school facility.

ii. Will proposed action remove existing natural barriers that could act as a noise barrier or screen?  Yes  No  
 Describe: \_\_\_\_\_

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n. Will the proposed action have outdoor lighting?  Yes  No

If yes:

i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:  
Pole lighting will be added to the track and field area, and potentially tennis courts at Fowler and within new/expanded parking areas at applicable school sites. Fixtures will be fully shielded and downward directed to minimize light spill outside of each school campus area.

ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen?  Yes  No  
 Describe: \_\_\_\_\_

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o. Does the proposed action have the potential to produce odors for more than one hour per day?  Yes  No  
 If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures: \_\_\_\_\_

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p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage?  Yes  No

If Yes:

i. Product(s) to be stored \_\_\_\_\_

ii. Volume(s) \_\_\_\_\_ per unit time \_\_\_\_\_ (e.g., month, year)

iii. Generally describe proposed storage facilities: \_\_\_\_\_

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q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation?  Yes  No

If Yes:

i. Describe proposed treatment(s):  
 \_\_\_\_\_  
 \_\_\_\_\_

ii. Will the proposed action use Integrated Pest Management Practices?  Yes  No

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r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)?  Yes  No

If Yes:

i. Describe any solid waste(s) to be generated during construction or operation of the facility:

- Construction: \_\_\_\_\_ TBD tons per \_\_\_\_\_ 12-24 months (unit of time)
- Operation: \_\_\_\_\_ <0.5 tons per \_\_\_\_\_ week (unit of time)

ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:

- Construction: contractors will be responsible for collecting and removing recycle materials to the appropriate reclamation facility.
- Operation: General refuse consistent with educational & concession facilities; recycling of materials (i.e., paper, plastic, cardboard) where applicable.

iii. Proposed disposal methods/facilities for solid waste generated on-site:

- Construction: Disposal of construction materials will occur at OCRA facilities.
- Operation: Disposal of solid waste generated post construction and during operation will occur at OCRA facilities.

s. Does the proposed action include construction or modification of a solid waste management facility?  Yes  No  
 If Yes:  
 i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill, or other disposal activities): \_\_\_\_\_  
 ii. Anticipated rate of disposal/processing:  
 • \_\_\_\_\_ Tons/month, if transfer or other non-combustion/thermal treatment, or  
 • \_\_\_\_\_ Tons/hour, if combustion or thermal treatment  
 iii. If landfill, anticipated site life: \_\_\_\_\_ years

t. Will proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste?  Yes  No  
 If Yes:  
 i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: \_\_\_\_\_  
 \_\_\_\_\_  
 ii. Generally describe processes or activities involving hazardous wastes or constituents: \_\_\_\_\_  
 \_\_\_\_\_  
 iii. Specify amount to be handled or generated \_\_\_\_\_ tons/month  
 iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: \_\_\_\_\_  
 \_\_\_\_\_  
 v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility?  Yes  No  
 If Yes: provide name and location of facility: \_\_\_\_\_  
 \_\_\_\_\_  
 If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility:  
 \_\_\_\_\_  
 \_\_\_\_\_

**E. Site and Setting of Proposed Action**

**E.1. Land uses on and surrounding the project site**

a. Existing land uses.  
 i. Check all uses that occur on, adjoining and near the project site.  
 Urban  Industrial  Commercial  Residential (suburban)  Rural (non-farm)  
 Forest  Agriculture  Aquatic  Other (specify): School, urban residential  
 ii. If mix of uses, generally describe:  
 \_\_\_\_\_  
 \_\_\_\_\_

b. Land uses and covertypes on the project site.

| Land use or Covertype  | Current Acreage | Acreage After Project Completion | Change (Acres +/-) |
|--|-----------------|----------------------------------|--------------------|
| • Roads, buildings, and other paved or impervious surfaces                               | 14.41           | 20.27                            | +5.86              |
| • Forested   | 0               | 0                                | 0                  |
| • Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural) | 22.79           | 16.93                            | -5.86              |
| • Agricultural (includes active orchards, field, greenhouse etc.)                        | 0               | 0                                | 0                  |
| • Surface water features (lakes, ponds, streams, rivers, etc.)                           | 0               | 0                                | 0                  |
| • Wetlands (freshwater or tidal)   | 0               | 0                                | 0                  |
| • Non-vegetated (bare rock, earth or fill)   | 0               | 0                                | 0                  |
| • Other Describe: _____<br>_____   |                 |                                  |                    |

c. Is the project site presently used by members of the community for public recreation?  Yes  No  
i. If Yes: explain: The school campuses are open to the public at certain times of the day/year.

d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site?  Yes  No  
If Yes,  
i. Identify Facilities:  
Each of the seven schools within the project serve children. Based on review of EPA's NEPAassist online mapping tool, there does not appear to be any hospitals within 1,500 feet of the seven project sites. It is likely that day care centers may be located within 1,500 feet of some if not all of the project sites.

e. Does the project site contain an existing dam?  Yes  No  
If Yes:  
i. Dimensions of the dam and impoundment:  
• Dam height: \_\_\_\_\_ feet  
• Dam length: \_\_\_\_\_ feet  
• Surface area: \_\_\_\_\_ acres  
• Volume impounded: \_\_\_\_\_ gallons OR acre-feet  
ii. Dam's existing hazard classification: \_\_\_\_\_  
iii. Provide date and summarize results of last inspection: \_\_\_\_\_

f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility?  Yes  No  
If Yes:  
i. Has the facility been formally closed?  Yes  No  
• If yes, cite sources/documentation: \_\_\_\_\_  
ii. Describe the location of the project site relative to the boundaries of the solid waste management facility: \_\_\_\_\_  
iii. Describe any development constraints due to the prior solid waste activities: \_\_\_\_\_

g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste?  Yes  No  
If Yes:  
i. Describe waste(s) handled and waste management activities, including approximate time when activities occurred:  
Review of EPA's NEPAassist online mapping tool, identified four of the seven schools as RCRA hazardous waste generators (Blodgett, Fowler, Frazer, & Ed Smith). No violations were found. Soils at the Fowler project location are contaminated with heavy metals. See Part 1 - Additional Information.

h. Potential contamination history. Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site?  Yes  No  
If Yes:  
i. Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply:  Yes  No  
 Yes - Spills Incidents database Provide DEC ID number(s): 0904494  
 Yes - Environmental Site Remediation database Provide DEC ID number(s): \_\_\_\_\_  
 Neither database  
ii. If site has been subject of RCRA corrective activities, describe control measures: \_\_\_\_\_  
Not applicable

iii. Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database?  Yes  No  
If yes, provide DEC ID number(s): 734042, 734022, 734039, C734103  
iv. If yes to (i), (ii) or (iii) above, describe current status of site(s): \_\_\_\_\_  
See Part 1 - Additional Information

v. Is the project site subject to an institutional control limiting property uses?  Yes  No

- If yes, DEC site ID number: \_\_\_\_\_
- Describe the type of institutional control (e.g., deed restriction or easement): \_\_\_\_\_
- Describe any use limitations: \_\_\_\_\_
- Describe any engineering controls: \_\_\_\_\_
- Will the project affect the institutional or engineering controls in place?  Yes  No
- Explain: \_\_\_\_\_

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**E.2. Natural Resources On or Near Project Site**

a. What is the average depth to bedrock on the project site? See Part 1-Add Info feet

b. Are there bedrock outcroppings on the project site?  Yes  No  
 If Yes, what proportion of the site is comprised of bedrock outcroppings? See Part 1-Add Info %

c. Predominant soil type(s) present on project site: See Part 1-Add Info \_\_\_\_\_ %  
 \_\_\_\_\_ %  
 \_\_\_\_\_ %

d. What is the average depth to the water table on the project site? Average: \_\_\_\_\_ feet See Part 1 - Additional Info

e. Drainage status of project site soils:  Well Drained: \_\_\_\_\_ % of site  
 Moderately Well Drained: \_\_\_\_\_ % of site See Part 1 - Additional Info  
 Poorly Drained \_\_\_\_\_ % of site

f. Approximate proportion of proposed action site with slopes:  0-10%: \_\_\_\_\_ % of site See Part 1 - Additional Info  
 10-15%: \_\_\_\_\_ % of site  
 15% or greater: \_\_\_\_\_ % of site

g. Are there any unique geologic features on the project site?  Yes  No  
 If Yes, describe: \_\_\_\_\_

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h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)?  Yes  No

ii. Do any wetlands or other waterbodies adjoin the project site?  Yes  No

If Yes to either *i* or *ii*, continue. If No, skip to E.2.i.

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency?  Yes  No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

- Streams: Name 895-71, 895-70 Classification B, C
- Lakes or Ponds: Name \_\_\_\_\_ Classification \_\_\_\_\_
- Wetlands: Name Federal Waters (3) Approximate Size \_\_\_\_\_
- Wetland No. (if regulated by DEC) \_\_\_\_\_

v. Are any of the above water bodies listed in the most recent compilation of NYS water quality-impaired waterbodies?  Yes  No

If yes, name of impaired water body/bodies and basis for listing as impaired: \_\_\_\_\_  
 Harbor Brook - Pathogens, Nutrients, Other Pollutants, Ammonia - Uses: Recreation, Public Bathing, Habitat/Hydrology, Aquatic Life

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i. Is the project site in a designated Floodway?  Yes  No

j. Is the project site in the 100 year Floodplain?  Yes  No

k. Is the project site in the 500 year Floodplain?  Yes  No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer?  Yes  No

If Yes:

i. Name of aquifer: \_\_\_\_\_

|  |                  |                |
|--|------------------|----------------|
| <p>m. Identify the predominant wildlife species that occupy or use the project site:</p>   |                  |                |
| <p>Typical urban wildlife species including:</p>   | <p>Mice</p>      | <p>Rabbit</p>  |
| <p>Chipmunk</p>  | <p>Songbirds</p> | <p>Raccoon</p> |
| <p>Skunk</p>   | <p>Squirrel</p>  |                |
| <p>n. Does the project site contain a designated significant natural community? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p>   |                  |                |
| <p>If Yes:</p>   |                  |                |
| <p>i. Describe the habitat/community (composition, function, and basis for designation): _____</p>   |                  |                |
| <p>ii. Source(s) of description or evaluation: _____</p>   |                  |                |
| <p>iii. Extent of community/habitat:</p>   |                  |                |
| <ul style="list-style-type: none"> <li>• Currently: _____ acres</li> <li>• Following completion of project as proposed: _____ acres</li> <li>• Gain or loss (indicate + or -): _____ acres</li> </ul>  |                  |                |
| <p>o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species? <span style="float: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span></p>   |                  |                |
| <p>See Part 1 Additional Information</p>   |                  |                |
| <p>p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p>   |                  |                |
| <p>q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>If yes, give a brief description of how the proposed action may affect that use: _____</p>   |                  |                |
| <p><b>E.3. Designated Public Resources On or Near Project Site</b></p>   |                  |                |
| <p>a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>If Yes, provide county plus district name/number: _____</p>  |                  |                |
| <p>b. Are agricultural lands consisting of highly productive soils present? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>i. If Yes: acreage(s) on project site? _____</p> <p>ii. Source(s) of soil rating(s): _____</p>   |                  |                |
| <p>c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>If Yes:</p> <p>i. Nature of the natural landmark: <input type="checkbox"/> Biological Community <input type="checkbox"/> Geological Feature</p> <p>ii. Provide brief description of landmark, including values behind designation and approximate size/extent: _____</p> |                  |                |
| <p>d. Is the project site located in or does it adjoin a state listed Critical Environmental Area? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>If Yes:</p> <p>i. CEA name: _____</p> <p>ii. Basis for designation: _____</p> <p>iii. Designating agency and date: _____</p>  |                  |                |



|  |  |
|--|--|
| <p>c. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on, or has been nominated by the NYS Board of Historic Preservation for inclusion on, the State or National Register of Historic Places? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Nature of historic/archaeological resource: <input type="checkbox"/> Archaeological Site <input checked="" type="checkbox"/> Historic Building or District</p> <p>ii. Name: <u>Berkeley Park Subdivision Historic District</u></p> <p>iii. Brief description of attributes on which listing is based:<br/> <u>Berkeley: CRIS state areas of significance include architecture and landscape architecture</u></p> |  |
| <p>f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>   |  |
| <p>g. Have additional archaeological or historic site(s) or resources been identified on the project site? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Describe possible resource(s): _____</p> <p>ii. Basis for identification: _____</p>  |  |
| <p>h. Is the project site within five miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Identify resource: <u>Various local parks</u></p> <p>ii. Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): <u>Local park</u></p> <p>iii. Distance between project and resource: _____ <u>Varies</u> miles.</p>  |  |
| <p>i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes:</p> <p>i. Identify the name of the river and its designation: _____</p> <p>ii. Is the activity consistent with development restrictions contained in 6 NYCRR Part 666? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>  |  |

**F. Additional Information**

Attach any additional information which may be needed to clarify your project.

If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

**G. Verification**

I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name Mary E. Robison, PE Date December 15, 2017

Signature  Title City Engineer

## FEAF Part 1 – Additional Information

### A. Project and Sponsor Information

#### Brief Description of Proposed Action

The City of Syracuse Joint Schools Construction Board (JCSB) proposes improvements to seven schools within the City of Syracuse School District. The specific schools slated for improvements include Bellevue Elementary, Ed Smith Elementary, Fowler High School, Frazer Elementary, Grant Middle School, Huntington Elementary, and Westside Academy at Blodgett. Detailed project descriptions are as follow:

#### Bellevue Elementary

Bellevue Elementary at 530 Stolp Ave, built in 1975, is a two-story masonry building. The building has 21 instructional classrooms, gymnasium, cafeteria, library, multipurpose rooms, and abandoned pool. The proposed scope of work for this facility focuses on the renovation of building systems and the building reconfiguration to eliminate the “open floor plan” classroom style. Exterior upgrades will be required to provide natural light and ventilation for the classrooms as several spaces do not have windows. Renovation to this building will be similar to the renovation to Dr. Weeks in the JCSB Phase 1. This project will seek to achieve LEED silver certification. This building will have all students and faculty relocated during the renovation.

#### Proposed Work Highlights:

- Building will be unoccupied during construction.
- Renovate all classrooms to meet current standards and eliminating the “open floor plan” classroom by providing new walls.
- Advanced mechanical, electrical, plumbing and security systems.
- Meet natural light and egress requirements for lower level classrooms.
- Creation of a Multipurpose and Instructional Support space.
- Advanced technology systems in classrooms and instructional spaces.
- LEED Silver.

#### Ed Smith

Ed Smith Elementary School at Lancaster Ave and Broad St., built in 1918 with multiple additions, is a two-floor brick building. The building has 39 instructional classrooms, gymnasium, cafeteria, and library. The exterior windows will be replaced. The building requires bathroom renovations and accessibility improvements. The mechanical, electrical and plumbing systems will be upgraded. As part of the upgrades the building will be abated for asbestos. The existing gymnasium is undersized for the school, it is part of the plan to provide a new multipurpose room. The addition would be required to achieve LEED silver. This building will have all students and faculty relocated during the renovation.

#### Proposed Work Highlights:

- Building will be unoccupied during construction.
- New windows.
- Advanced security systems.
- Bathroom renovations.
- Accessibility improvements.

## FEAF Part 1 – Additional Information (cont.)

- Potential Multipurpose room addition. Addition would be LEED Silver.
- Asbestos abatement.
- Advanced mechanical, electrical, plumbing and technology systems.
- New Middle School Career and Technology Education (CTE) spaces such as Project Lead the Way.

### Fowler High School

Fowler High School at 227 Magnolia Street, has recently undergone an extensive renovation and addition. The scope of work will primarily be exterior site work. New athletic fields, track and stadium will be completed with this phase. The existing auditorium, pool, and locker rooms will be renovated within the existing building. The majority of the building's roof will be replaced with a new built-up roof. This building will be occupied by students and faculty during renovations. Create a phasing plan to allow the school to function during construction.

#### Proposed Work Highlights:

- Occupied building.
- Auditorium renovations.
- Pool renovations.
- New roof.
- Locker room renovations.
- New stadium with track,
- New athletic fields.
- Site improvements.

### Frazer Elementary School

Frazer Elementary School at 741 Park Ave, built in 1929, is a three-story masonry building. The scope of work required at this building is primarily exterior work. Some masonry is failing. In addition, exterior accessibility and parking at the building are a challenge. The building requires site improvements and masonry repairs. Minor interior renovations are required primarily focusing on security improvements. Window replacement is desired based on available construction dollars. This building will be occupied by students and faculty during renovations. Create a phasing plan to allow the school to function during construction.

#### Proposed Work Highlights:

- Occupied building.
- Masonry repairs.
- Site improvements (walkway, stair and pavement).
- Advanced security systems.
- Window replacement.

## FEAF Part 1 – Additional Information (cont.)

### Grant Middle School

Grant is located at 2400 Grant Blvd, built in 1931, is a three-story masonry and stone building. The stone and brick are failing and replacement or repair are the primary focus of the renovation. A large portion of this building's limestone façade has deteriorated to the point of needing to be replaced. Included is roof and window replacement. The interior work to be completed will be bathroom accessibility renovations and security improvements. This building will be occupied by students and faculty during renovations. Create a phasing plan to allow the school to function during construction.

#### Proposed Work Highlights:

- Occupied building.
- Roof replacement.
- Window replacement in courtyard area of building.
- Masonry repair.
- Stone façade replacement/repair.
- Bathroom renovations.
- Accessibility improvements.
- Advanced security systems.

### Huntington Elementary School

Huntington is located at 400 Sunnycrest Road, built in 1930, is a two-story masonry building. The exterior building work will include roof, window and minor exterior improvements. The existing bus drop off at the rear of the building is inadequate and a new solution is sought. Within the building the existing bathrooms will be renovated and new security upgrades are needed. The existing pool area will be renovated including a new heating system. This building will be occupied by students and faculty during renovations. Create a phasing plan to allow the school to function during construction.

#### Proposed Work Highlights:

- Occupied building.
- Site circulation for bus drop off and pick up.
- Roof replacement.
- Window replacement.
- Exterior upgrades.
- Pool renovations.
- Bathroom renovations.
- Advanced security systems.
- Accessibility improvements.

### Westside Academy at Blodgett

Westside Academy at Blodgett at 312 Oswego St, built in 1915, is a four-story brick building with ornamental masonry and stone accents. The building has 41 instructional classrooms, health center, gymnasium, cafeteria, library and auditorium. The building requires extensive masonry façade repair and replacement, new roofing system, window replacement, electrical service upgrade. Interior renovations are focusing on bathroom accessible upgrades and security improvements.

## **FEAF Part 1 – Additional Information (cont.)**

This building will be occupied by students and faculty during renovations. Create a phasing plan to allow the school to function during construction.

### **Proposed Work Highlights:**

- Occupied building.
- Roof replacement.
- Replacement of exterior windows and doors.
- Masonry repairs.
- Site work.
- Electrical service upgrades.
- Partial interior renovation work including bathrooms and advanced security systems.
- Accessibility improvements.

### **B. Government Approvals**

#### **i. Coastal Resources**

The NYSDEC EAF Mapper Application indicates that none of the projects sites are located within a coastal area, are not within waterfront areas of a Designated Inland Waterway, and are not located within a community with an approved Local Waterfront Revitalization Program. Based on a review of the NYSDEC website, there are 44 NYSDEC regulated Coastal Erosion Hazard Area (CEHA) communities in New York State; the City of Syracuse is not a CEHA community.

### **C. Planning and Zoning**

#### **C.2 Adopted land use plans**

##### **a. Comprehensive land use plans**

The City of Syracuse's comprehensive land use plan includes a Guiding Policy to offer an exceptional quality-of-life through, among other things, improving schools.

#### **C.3. Zoning**

##### **a. Zoning Classification**

##### **Zoning Classifications for each school:**

- Bellevue – RAA – Residential District, Class AA
- Ed Smith Elementary – RA-1 – Residential District, Class A-1
- Fowler High School – IA – Industrial District, Class A
- Frazer Elementary School – A – Residential District, Class A
- Grant Middle School – RB-1 & RA – Residential District, Class B-1 & Class A
- Huntington Elementary School – RA-1 – Residential District, Class A-1
- Westside Academy at Blodgett – RB – Residential District, Class B

## **FEAF Part 1 – Additional Information (cont.)**

### **D. Project Details**

#### **D.2 Project Operations**

##### **k. Energy**

In general, annual electricity demand as a result of the project is expected to be the same or below current demand as the proposed building/infrastructure improvements (i.e., new lighting, windows, HVAC) would likely be more energy efficient. These reductions would likely offset the small increase in energy demand expected because of new construction or building addition/expansion.

##### **j. Traffic**

The proposed projects will not result in an increase to existing traffic levels or generate new demand for transportation facilities or services. The athletic field improvements at Fowler are replacements of former facilities located at the school. The remaining portion of construction at Fowler, as well as construction at the other 6 schools, is intended to improve each campus and the student experience. The projects do not involve expansion activities with a purpose of increasing the number of students/teachers at each facility.

### **E. Site and Setting of Proposed Action**

#### **E.1. Land uses on and surrounding the project site**

##### **g. Hazardous Wastes**

LaBella Associates, DPC conducted a Pre-Construction Subsurface Characterization of the Fowler High School project site. Specifically, the work included 56 soil borings, six temporary overburden groundwater monitoring wells and ground penetrating radar survey (at 3 suspect locations) conducted between April 27, 2017 and May 4, 2017. Preliminary results found elevated levels of various hazardous materials within the soil and groundwater at multiple locations throughout the site. In addition, the ground penetrating radar survey displayed five anomalies that may be indicative of underground storage tanks. Preliminary recommendations include additional testing and investigation of several areas of the site, development of a Soil and Groundwater Management Plan to guide the management of soil/fill material and water at the site which would include characterization of excavated materials and, if necessary, disposal of spoils at an approved Part 360 Landfill as non-hazardous waste, and appropriate dewatering practices.

Environmental monitoring during construction will include additional testing and a final report will be compiled. Recommendations will be adhered to in order to protect the human health of workers and users of the site.

##### **h. iv. Potential Contamination History**

The NYSDEC EAF Mapper Application indicates there are three state superfund program remediation sites and one Brownfield Cleanup Program site identified within 2,000 feet of the project site.

## **FEAF Part 1 – Additional Information (cont.)**

**Midler City Industrial Park (Brownfield Cleanup Program, Site Code: C734103)** located on Midler Ave. in the City of Syracuse. Based on information on the NYSDEC website, all buildings have been demolished with partial slabs removed. Surrounding property use is commercial/industrial and served by public water and sewer. Since about 1889, the site's primary activity was the manufacture of a variety of items including boilers, radiators, lead pipe, automatic laundry and dry cleaning equipment, and pressing machines. A Brownfield Cleanup Agreement has been signed by the applicant and remedial investigation field work has been completed. An IRM of limited excavation and in-situ thermal desorption (ISTD) was conducted at the site from November 2006 through September 2007. The remedy for the site is Monitored Natural Attenuation.

The NYSDEC online Environmental Site Remediation Database indicates that the primary contaminants of concern at the site include tetrachloroethene (PCE), trichloroethene (TCE) and breakdown products of these constituents. Investigations indicated groundwater, subsurface soil and sump sediment contamination associated with past manufacturing practices. An offsite soil vapor survey was conducted by the DEC in May 2007. Based on the results, no further action was deemed necessary by DOH. The remedy has been implemented, and Site Management has begun. The Department does not foresee any unacceptable impacts to the environment from the site provided the Site Management Plan (SMP) continues to be implemented. Based on the remedial action, the site no longer poses a significant environmental threat. Groundwater data analysis provided in The First Annual Site Monitoring Report indicates that chlorinated volatile organic contaminants (CVOCs) continue to decrease and that Monitored Natural Attenuation (MNA) continues to be an effective remedial technology.

With regard to site health assessment, NYSDEC noted subsurface soil and groundwater are contaminated with chlorinated solvents. Because groundwater is not consumed (public water serves the area) and contaminants remaining in sites soils after remediation are subsurface, exposures are not expected. On-site buildings have active sub-slab depressurization systems to prevent exposures via soil vapor intrusion. Soil vapor points installed during the investigation did not indicate that contaminated vapors are migrating from the site.

**Syracuse Fire Training School (State Superfund Program, Site Code: 734039)** located on State Fair Boulevard in the City of Syracuse. Based on information on the NYSDEC website, this is an active Fire Training Facility located at 312 State Fair Boulevard between Hiawatha Blvd. West and West Genesee Street in the City of Syracuse, Onondaga County. The property is adjacent to the right-of-way of I690. The Syracuse Fire Training Center is surrounded by residential and commercial areas and is comprised of historic Lot #88 through #94. The ROD was signed on 1/4/93. Deed restrictions have been made and filed with the Onondaga County Clerk. A delisting package was completed. The NYSDEC online Environmental Site Remediation Database indicates that samples taken of the on-site soils revealed contamination by both PCBs and mercury. The remedial construction completed in the summer of 1995, including excavation and off-site disposal of contaminated soils and the construction of an asphalt cap, has addressed the site contamination.

With regard to site health assessment, NYSDEC noted that contaminants have been removed or covered. There are no exposures occurring from this site.

## **FEAF Part 1 – Additional Information (cont.)**

**Old Tip-Top Bakery (State Superfund Program, Site Code: 734042)** located on Shonnard Street in the City of Syracuse. Based on information on the NYSDEC website, Royal Research Labs was a paint stripping firm and manufacturer of plastic automotive parts. The facility was declared unsafe and the building was condemned by the Syracuse Fire Department in the early 1980's. Approximately 50 drums and containers of chemicals were moved from the Royal Research Lab to the Tip-Top Bakery building, which is also located on Shonnard Street. Some of the chemicals have spilled onto the floor of the building. Analytical results of samples taken, reveal that some of the wastes were ignitable and corrosive. In 1991, the DEC initiated a final drum removal. The drum removal was completed by November of 1991. A thorough follow-up investigation with sampling was conducted by the City of Syracuse during the spring of 1992. Sampling analysis revealed no residual contamination from the hazardous waste. The NYSDEC online Environmental Site Remediation Database indicates that all remaining drums & containers that were stored in this building were removed by November of 1992. The City of Syracuse's follow-up investigation revealed no residual contamination resulting from the drums.

With regard to site health assessment, NYSDEC noted that the site is in an area which is served by public water. NYSDOH has observed evidence of site trespass during a past site investigation. The site was delisted in December 1992 and there are no known outstanding health concerns associated with exposure to site contaminants.

**Rockwell Plant Site (State Superfund Program, Site Code: 734022)** located on Marcellus Street in the City of Syracuse. Based on information on the NYSDEC website, the former Rockwell Plant site is no longer in business. Several electrical transformers were dismantled in order to salvage the copper in them. During the dismantling an estimated 100 gallons of transformer oil containing PCBs spilled. The PCB oil spilled on the soil and sample analysis showed levels up to 510 ppm of Aroclor 1260 in one sample. DOT/DEC conducted a clean-up of the PCB spill. The abandoned site was secured & signs were been posted for public awareness. Waste fuels were suspected to have been burned on site. A Phase I study was completed. A PRP Phase II Investigation was completed in 1987. During the PCB oil spill clean-up a number of other areas of concern were revealed. Among the concerns were buried tanks, extensive areas of contaminated soil and waste oil in the collection sumps. In 1988, eleven buried tanks and 300 cubic yards of contaminated soil were removed from the site. During this removal, spent petroleum by-products were also discovered. This site has had hazardous waste removed. Hazardous waste removal was completed in the Spring of 1990.

The NYSDEC online Environmental Site Remediation Database indicates that the site has been remediated, there is no indication of groundwater contamination, and remedial efforts have eliminated contaminants. This site has been delisted.



## FEAF Part 1 – Additional Information (cont.)

### E.2. Natural Resources On or Near Project Site

#### a-f. Soils Information

| Soils Information for each school location |                           |                         |                         |                 |                                     |                          |                          |
|--|---------------------------|-------------------------|-------------------------|-----------------|-------------------------------------|--------------------------|--------------------------|
|  | Bellevue                  | Smith                   | Fowler                  | Frazer          | Grant                               | Huntington               | Blodgett                 |
| Ave. Depth to Bedrock                      | 15-40"                    | 20-80+"                 | 20-80+"                 | Unknown         | 80+"                                | 80+"                     | 80+"                     |
| Bedrock outcroppings                       | No                        | No                      | No                      | No              | No                                  | No                       | No                       |
| Predominant soil types                     | Camillus silt loam – 100% | CFL – 48%               | Urban land-99%          | Urban land-100% | Howard gravelly fine sandy loam-68% | Cazenovia silt loam-84%  | Urban land-91%           |
|  |                           | Honeoye silt loam – 48% | Camillus silt loam-0.4% |                 | Ontario loam-31%                    | Palmyra gravelly loam-8% | Palmyra gravelly loam-9% |
|  |                           | Camillus silt loam 4%   | Ontario-0.1%            |                 | Cazenovia silt loam-1%              | Urban land-6%            |                          |
| Depth to Water table                       | 16-36"                    | 16-80+"                 | 16-80+"                 | Unknown         | 24-80+"                             | 18-80+"                  | Unknown                  |
| Well Drained%                              | 100%                      | 100%                    | 0.5%                    | 0%              | 100%                                | 94%                      | 9%                       |
| Moderately Well Drained%                   | 0%                        | 0%                      | 0%                      | 0%              | 0%                                  | 0%                       | 0%                       |
| Poorly Drained%                            | 0%                        | 0%                      | 0%                      | 0%              | 0%                                  | 0%                       | 0%                       |
| Slopes 0-10%                               | 100%                      | 100%                    | 100%                    | 100%            | 100%                                | 100%                     | 100%                     |
| Slopes 10-15%                              | 0%                        | 0%                      | 0%                      | 0%              | 0%                                  | 0%                       | 0%                       |
| Slopes 15% or greater                      | 0%                        | 0%                      | 0%                      | 0%              | 0%                                  | 0%                       | 0%                       |
| Unique Geologic Features on Site           | No                        | No                      | No                      | No              | No                                  | No                       | No                       |

Source: United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Custom Soil Resource Report for Onondaga, New York

#### g. Unique geologic features

The NYSDEC EAF Mapper Application indicates that there are no unique geologic features on the project sites.

#### i. Floodway

The NYSDEC EAF Mapper Application indicates that the project sites are not located within a designated floodway.

## FEAF Part 1 – Additional Information (cont.)

### j. 100-Year Floodplain

The Federal Emergency Management Agency floodplain maps were reviewed at each project location. According to FEMA for Onondaga County, New York panel 217 of 520, Map Number 36067C0216F dated November 2016, a portion of the project at Fowler High School is located in a 100-year and 500-year floodplain. None of the other school projects occur within a floodplain area.

### l. Aquifer

The NYSDEC EAF Mapper Application indicates that no aquifers are located within the boundary of the project locations.

### n. Significant Natural Community

The NYSDEC EAF Mapper Application indicates that there are no significant natural community features on the project sites.

### o. Rare, Threatened, and Endangered Species

C&S conducted a project screening utilizing the New York State Department of Environmental Conservation (NYSDEC) Environmental Mapper to identify the potential of any significant habitats, endangered, threatened, or rare species, or species of special concern within or near the project areas. Based on the NYSDEC Environmental Mapper results, there is the potential for rare plants and animals to be located within several of the project locations (see attached Figure 1). Specifically, rare plants or animals are noted at Ed Smith Elementary and Huntington Elementary. No known records of rare plants or animals occur at the remaining schools, and given the previously disturbed nature of these sites, no impacts to listed species will occur.

In order to evaluate the potential for the projects at Ed Smith Elementary School, a data request to the New York Natural Heritage Program (NYNHP) was submitted regarding records of rare species in the vicinity of the school.

In a letter dated December 19, 2016, the NYNHP indicated records for the Indiana bat (*Myotis sodalis*), northern long-eared bat (*Myotis septentrionalis*), reflexed sedge (*Carex retroflexa*), and glomerate sedge (*Carex aggregata*) occur within the vicinity of the school.

## E.3. Designated Public Resources On or Near Project Site

### a. Agricultural Districts

The NYSDEC EAF Mapper Application indicates that the project sites are not located within agricultural districts.

## **FEAF Part 1 – Additional Information (cont.)**

### **c. National Natural Landmark**

The NYSDEC EAF Mapper Application indicates that there are no national natural landmark features on the project sites.

### **d. Critical Environmental Area**

The NYSDEC EAF Mapper Application indicates that the project sites are not located within designated critical environmental areas.

### **e. State or National Register of Historic Places**

The NYSDEC EAF Mapper Application indicates that there are two historic sites and/or districts (Huntley Apartments & Berkeley Park Subdivision Historic District) located near two of the project sites (Bellevue, Ed Smith). Based on familiarity with the Huntley Apartments, the Bellevue School is not substantially contiguous to this site.

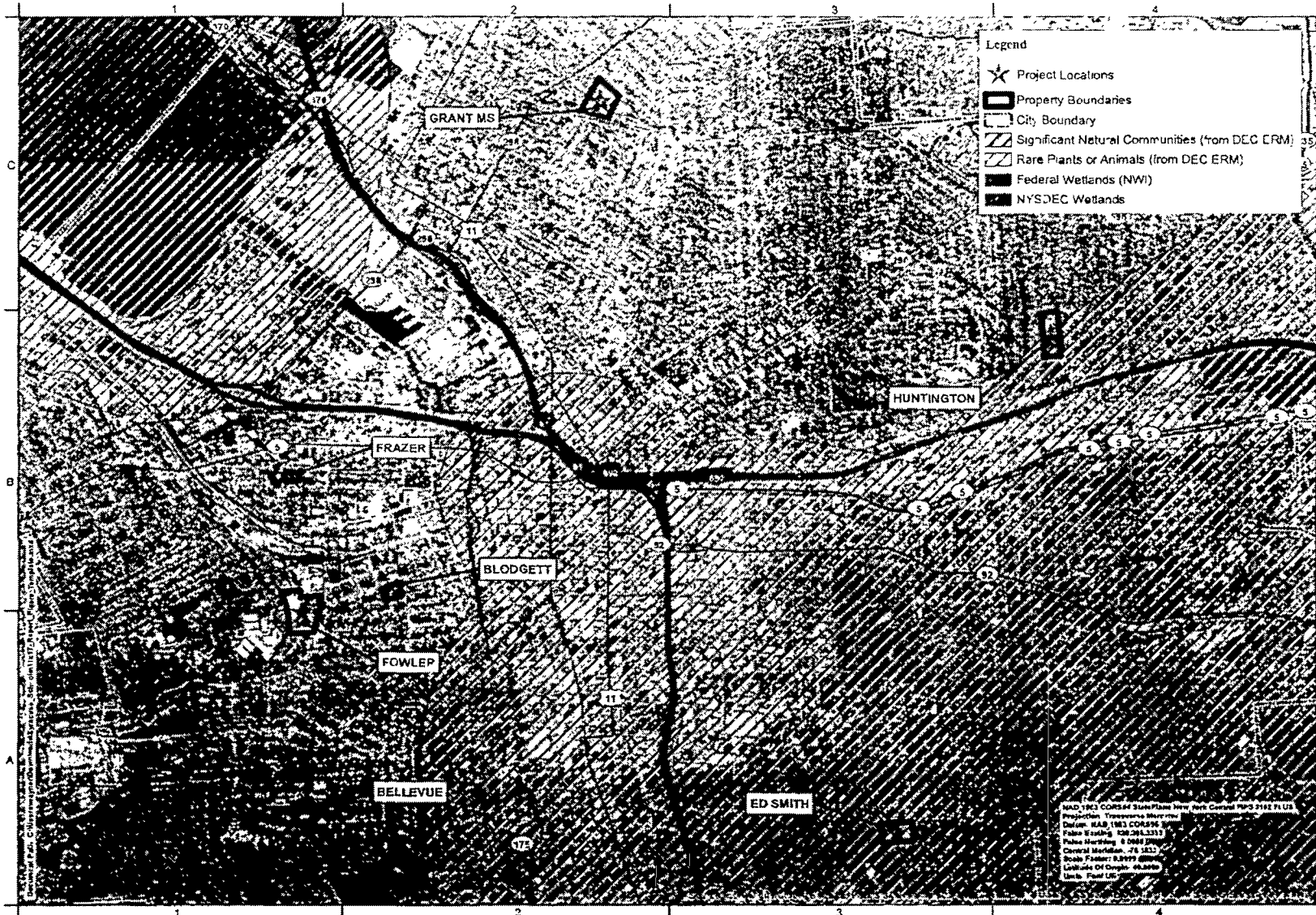
### **f. SHPO Archeological Site Inventory**

The NYSDEC EAF Mapper Application indicates that three of the project sites (Fowler, Frazer, & Huntington) are located in, or adjacent to, an area designated as sensitive for archaeological sites on the SHPO archaeological site inventory.

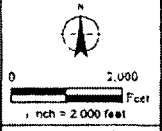
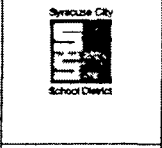
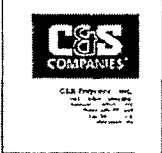
### **i. Wild, Scenic Recreational River**

The NYSDEC EAF Mapper Application indicates that the project sites are not located within designated river corridors under the Wild, Scenic and Recreational Rivers Program.

Figures



- Legend**
- ★ Project Locations
  - ▭ Property Boundaries
  - ▭ City Boundary
  - ▨ Significant Natural Communities (from DEC ERM)
  - ▩ Rare Plants or Animals (from DEC ERM)
  - ▬ Federal Wetlands (NWI)
  - ▬ NYSDEC Wetlands



Syracuse City Schools  
 Joint Schools Construction Board  
 Comprehensive Projects  
 City of Syracuse, Onondaga County, New York

|             |               |
|-------------|---------------|
| PROJECT NO. | 116-004-001   |
| DATE        | December 2017 |
| SCALE       | AS SHOWN      |
| DRAWN BY    | WJL           |
| DESIGNED BY |               |
| CHECKED BY  |               |

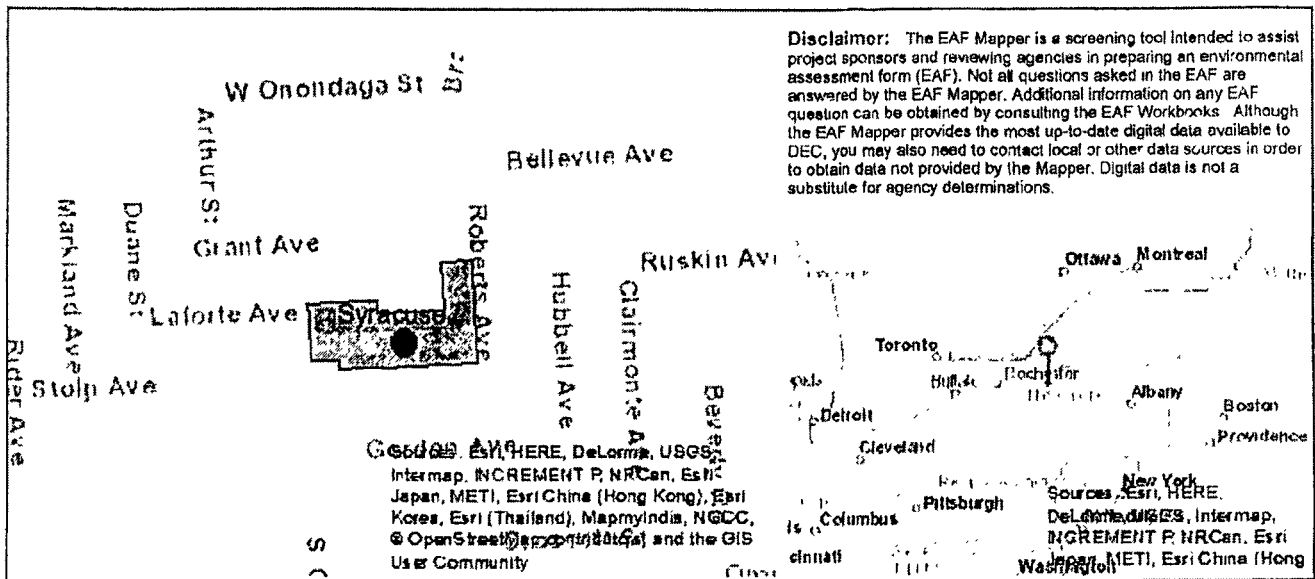
**Project Location & Environmental Resource Map**

**Figure 1**

MAD 1983 CORS BY State Plane New York Central FIPS 2011 PLUS  
 Projection: Transverse Mercator  
 Datum: NAD 1983  
 False Easting: 500,000.0000  
 False Northing: 0.0000  
 Central Meridian: -76.1525  
 Scale Factor: 0.9999  
 Contour Interval: 10.0000  
 Units: Feet

Attachment A

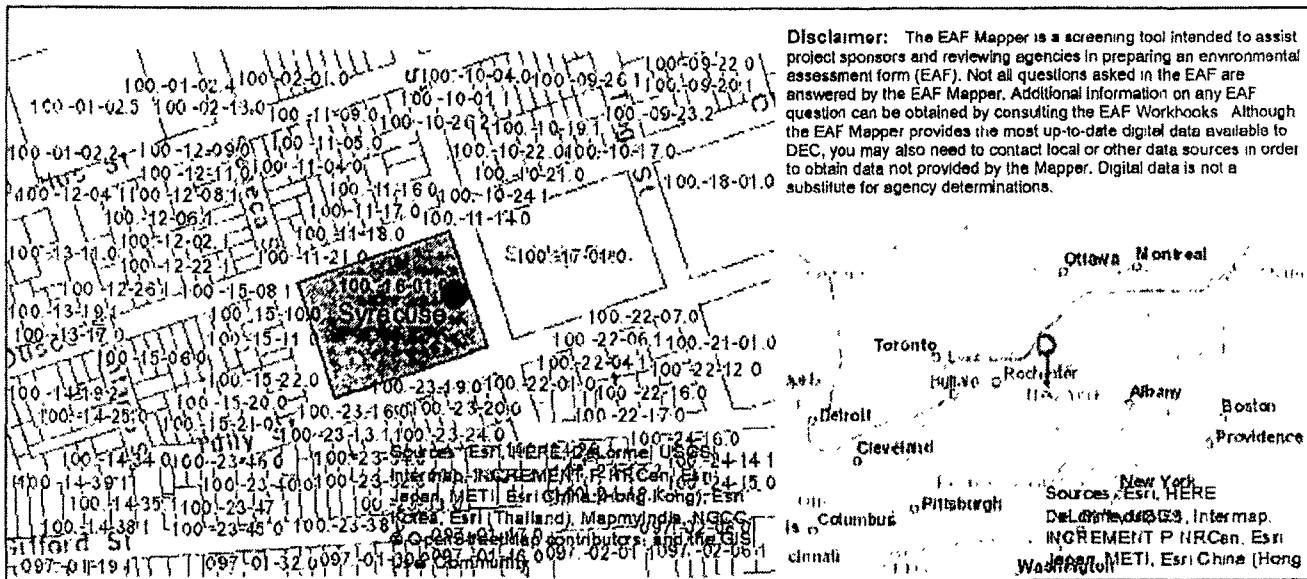
EAF Mapper Summaries



|  |  |
|--|--|
| B.i.i [Coastal or Waterfront Area]   | No   |
| B.i.ii [Local Waterfront Revitalization Area]                                      | No   |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | No   |
| E.2.g [Unique Geologic Features]   | No   |
| E.2.h.i [Surface Water Features]   | No   |
| E.2.h.ii [Surface Water Features]  | No   |
| E.2.h.iii [Surface Water Features]   | No   |
| E.2.h.v [Impaired Water Bodies]  | No   |
| E.2.i. [Floodway]  | No   |
| E.2.j. [100 Year Floodplain]   | No   |
| E.2.k. [500 Year Floodplain]   | No   |
| E.2.l. [Aquifers]  | No   |
| E.2.n. [Natural Communities]   | No   |
| E.2.o. [Endangered or Threatened Species]  | No   |
| E.2.p. [Rare Plants or Animals]  | No   |
| E.3.a. [Agricultural District]   | No   |

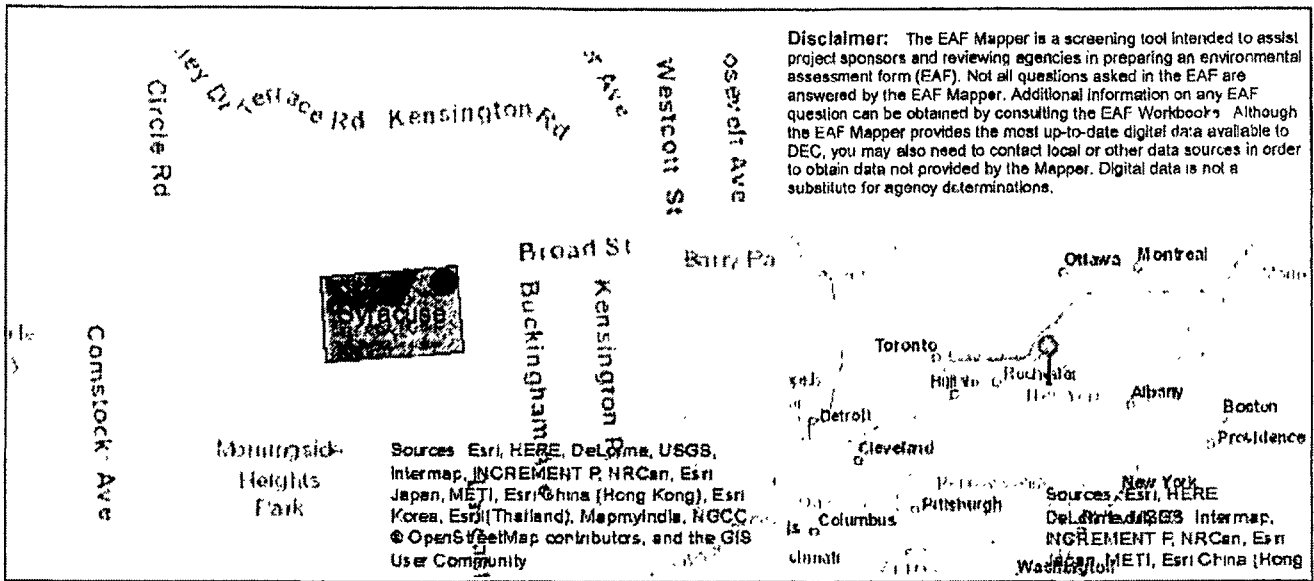
|  |   |
|--|---|
| E.3.c. [National Natural Landmark]                     | No  |
| E.3.d [Critical Environmental Area]                    | No  |
| E.3.e. [National Register of Historic Places]          | Yes - Digital mapping data for archaeological site boundaries are not available. Refer to EAF Workbook. |
| E.3.e.ii [National Register of Historic Places - Name] | Huntley Apartments  |
| E.3.f. [Archeological Sites]                           | No  |
| E.3.i. [Designated River Corridor]                     | No  |





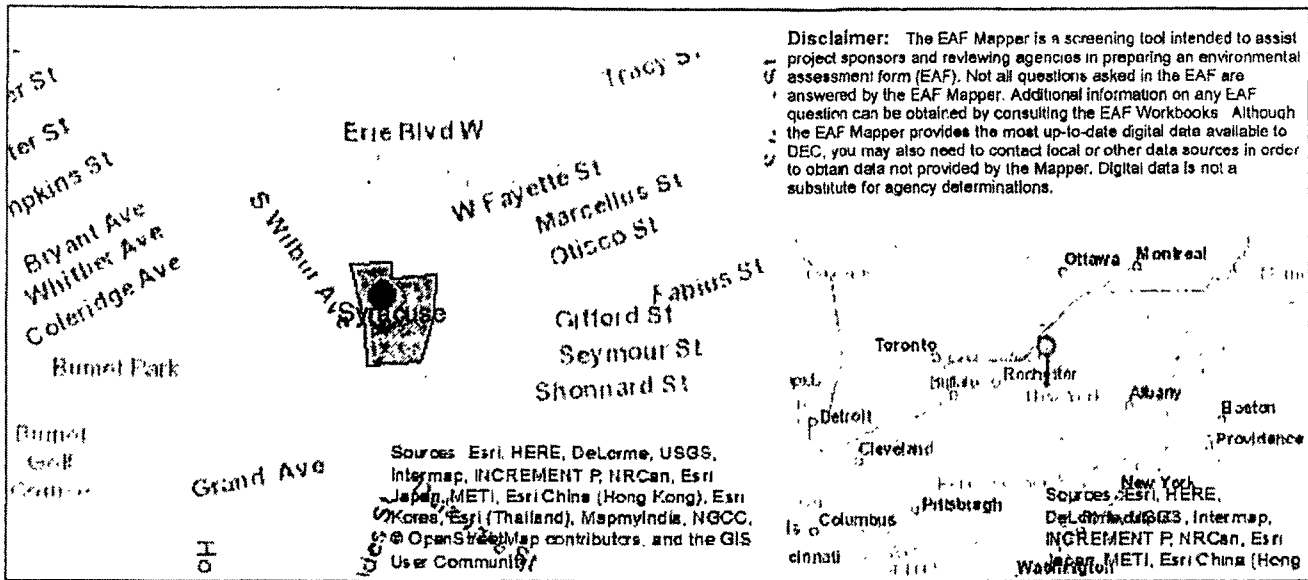
|  |  |
|--|--|
| B.i.i [Coastal or Waterfront Area]   | No   |
| B.i.ii [Local Waterfront Revitalization Area]                                      | No   |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | Yes  |
| E.1.h.iii [Within 2,000' of DEC Remediation Site - DEC ID]                         | 734042 , 734022  |
| E.2.g [Unique Geologic Features]   | No   |
| E.2.h.i [Surface Water Features]   | No   |
| E.2.h.ii [Surface Water Features]  | No   |
| E.2.h.iii [Surface Water Features]   | No   |
| E.2.h.v [Impaired Water Bodies]  | No   |
| E.2.i. [Floodway]  | No   |
| E.2.j. [100 Year Floodplain]   | No   |
| E.2.k. [500 Year Floodplain]   | No   |
| E.2.l. [Aquifers]  | No   |
| E.2.n. [Natural Communities]   | No   |
| E.2.o. [Endangered or Threatened Species]  | No   |

|   |  |
|---|--|
| E.2.p. [Rare Plants or Animals]               | No   |
| E.3.a. [Agricultural District]                | No   |
| E.3.c. [National Natural Landmark]            | No   |
| E.3.d [Critical Environmental Area]           | No   |
| E.3.e. [National Register of Historic Places] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.3.f. [Archeological Sites]                  | No   |
| E.3.l. [Designated River Corridor]            | No   |



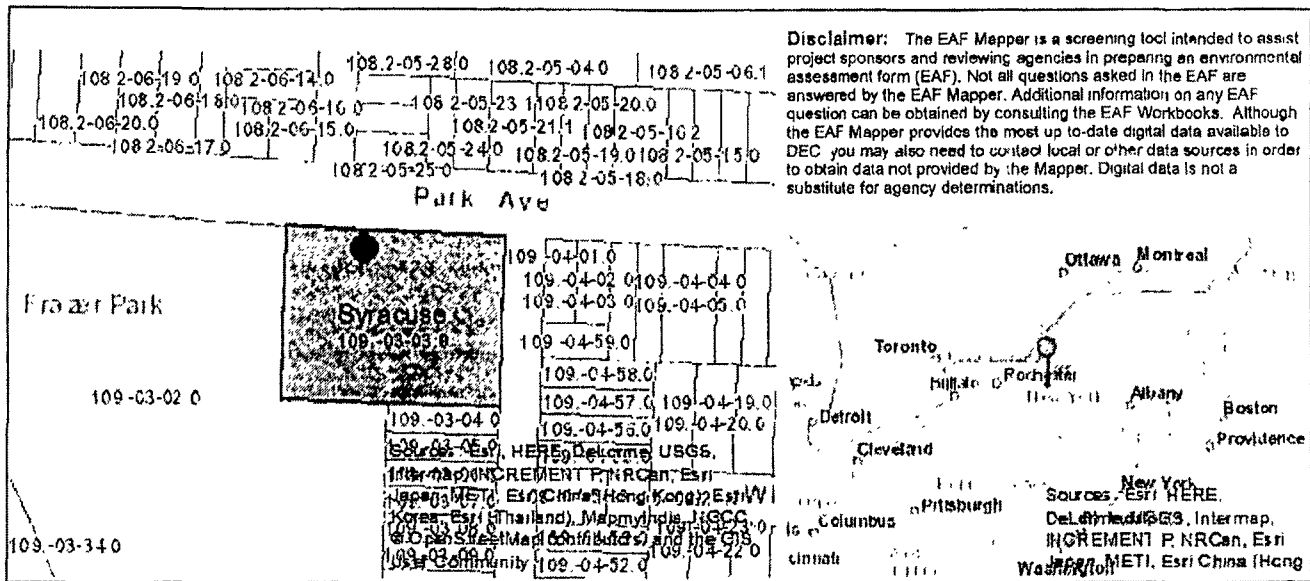
|  |  |
|--|--|
| B.1.i [Coastal or Waterfront Area]   | No   |
| B.1.ii [Local Waterfront Revitalization Area]                                      | No   |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | No   |
| E.2.g [Unique Geologic Features]   | No   |
| E.2.h.i [Surface Water Features]   | No   |
| E.2.h.ii [Surface Water Features]  | No   |
| E.2.h.iii [Surface Water Features]   | No   |
| E.2.h.v [Impaired Water Bodies]  | No   |
| E.2.i. [Floodway]  | No   |
| E.2.j. [100 Year Floodplain]   | No   |
| E.2.k. [500 Year Floodplain]   | No   |
| E.2.l. [Aquifers]  | No   |
| E.2.n. [Natural Communities]   | No   |
| E.2.o. [Endangered or Threatened Species]  | Yes  |
| E.2.p. [Rare Plants or Animals]  | No   |
| E.3.a. [Agricultural District]   | No   |

|  |   |
|--|---|
| E.3.c. [National Natural Landmark]                     | No  |
| E.3.d [Critical Environmental Area]                    | No  |
| E.3.e. [National Register of Historic Places]          | Yes - Digital mapping data for archaeological site boundaries are not available. Refer to EAF Workbook. |
| E.3.e.ii [National Register of Historic Places - Name] | Berkeley Park Subdivision Historic District   |
| E.3.f. [Archeological Sites]                           | No  |
| E.3.i. [Designated River Corridor]                     | No  |



|  |   |
|--|---|
| B.i.i [Coastal or Waterfront Area]   | No  |
| B.i.ii [Local Waterfront Revitalization Area]                                      | No  |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | Yes   |
| E.1.h.iii [Within 2,000' of DEC Remediation Site - DEC ID]                         | 734022  |
| E.2.g [Unique Geologic Features]   | No  |
| E.2.h.i [Surface Water Features]   | Yes   |
| E.2.h.ii [Surface Water Features]  | Yes   |
| E.2.h.iii [Surface Water Features]   | Yes - Digital mapping information on local and federal wetlands and waterbodies is known to be incomplete. Refer to EAF Workbook. |
| E.2.h.iv [Surface Water Features - Stream Name]                                    | 895-71, 895-70  |
| E.2.h.iv [Surface Water Features - Stream Classification]                          | B, C  |
| E.2.h.iv [Surface Water Features - Wetlands Name]                                  | Federal Waters  |
| E.2.h.v [Impaired Water Bodies]  | Yes   |

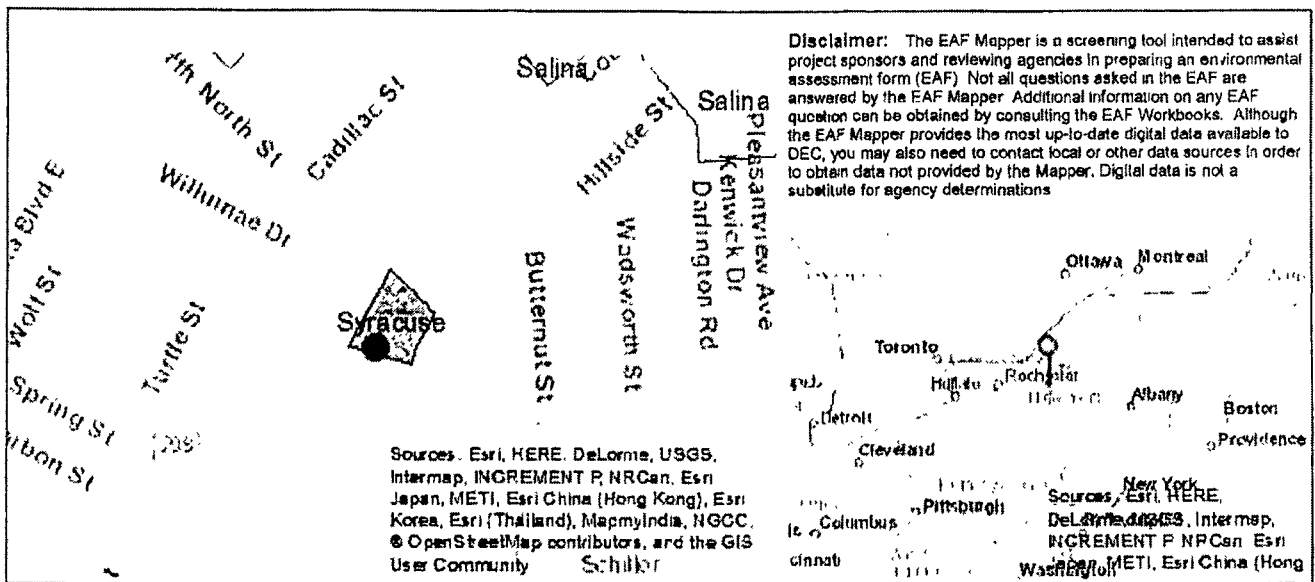
|  |  |
|--|--|
| E.2.h.v [Impaired Water Bodies - Name and Basis for Listing] | Name - Pollutants - Uses: Harbor Brook, Lower, and tribs – Pathogens; Nutrients; Other Pollutants; Ammonia – Recreation; Public Bathing; Habitat/Hydrology; Aquatic Life |
| E.2.i. [Floodway]  | No   |
| E.2.j. [100 Year Floodplain]                                 | Yes  |
| E.2.k. [500 Year Floodplain]                                 | Yes  |
| E.2.l. [Aquifers]  | No   |
| E.2.n. [Natural Communities]                                 | No   |
| E.2.o. [Endangered or Threatened Species]                    | No   |
| E.2.p. [Rare Plants or Animals]                              | No   |
| E.3.a. [Agricultural District]                               | No   |
| E.3.c. [National Natural Landmark]                           | No   |
| E.3.d. [Critical Environmental Area]                         | No   |
| E.3.e. [National Register of Historic Places]                | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.   |
| E.3.f. [Archeological Sites]                                 | Yes  |
| E.3.l. [Designated River Corridor]                           | No   |



|  |  |
|--|--|
| B.1.i [Coastal or Waterfront Area]   | No   |
| B.1.ii [Local Waterfront Revitalization Area]                                      | No   |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook  |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook  |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.   |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.   |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | Yes  |
| E.1.h.iii [Within 2,000' of DEC Remediation Site - DEC ID]                         | 734039   |
| E.2.g [Unique Geologic Features]   | No   |
| E.2.h.i [Surface Water Features]   | Yes  |
| E.2.h.ii [Surface Water Features]  | Yes  |
| E.2.h.iii [Surface Water Features]   | Yes - Digital mapping information on local and federal wetlands and waterbodies is known to be incomplete. Refer to EAF Workbook |
| E.2.h.iv [Surface Water Features - Stream Name]                                    | 895-70   |
| E.2.h.iv [Surface Water Features - Stream Classification]                          | C  |
| E.2.h.iv [Surface Water Features - Wetlands Name]                                  | Federal Waters   |
| E.2.h.v [Impaired Water Bodies]  | No   |
| E.2.i. [Floodway]  | No   |

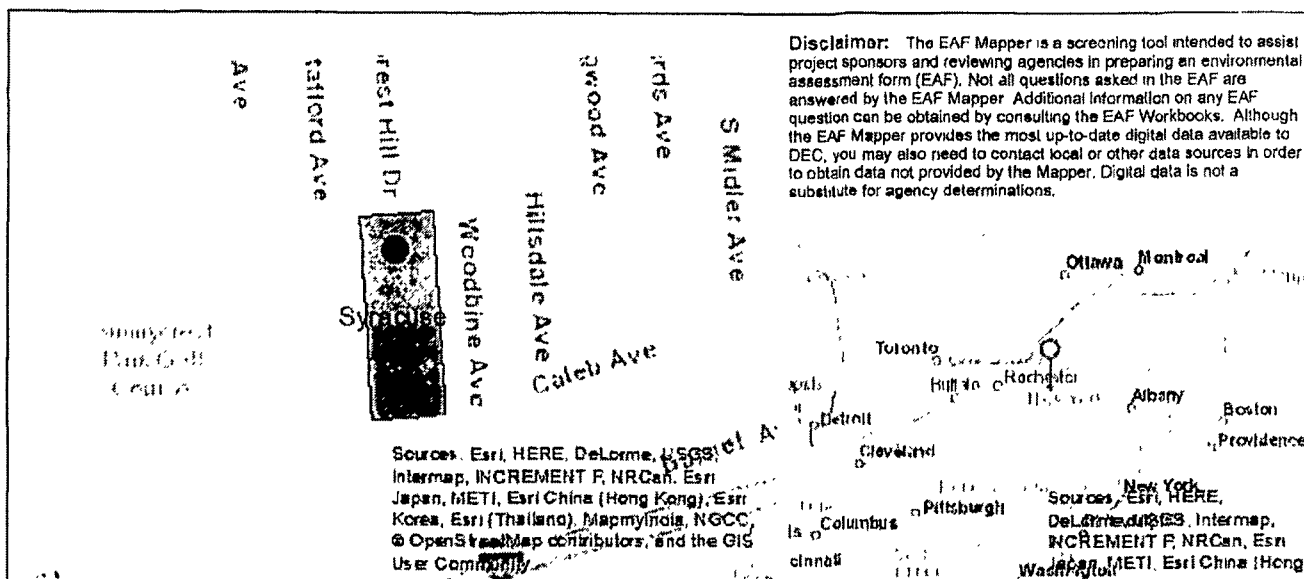
|   |  |
|---|--|
| E.2.j. [100 Year Floodplain]                  | No   |
| E.2.k. [500 Year Floodplain]                  | No   |
| E.2.l. [Aquifers]                             | No   |
| E.2.n. [Natural Communities]                  | No   |
| E.2.o. [Endangered or Threatened Species]     | No   |
| E.2.p. [Rare Plants or Animals]               | No   |
| E.3.a. [Agricultural District]                | No   |
| E.3.c. [National Natural Landmark]            | No   |
| E.3.d [Critical Environmental Area]           | No   |
| E.3.e. [National Register of Historic Places] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.3.f. [Archeological Sites]                  | Yes  |
| E.3.i. [Designated River Corridor]            | No   |





|  |  |
|--|--|
| B.1.i [Coastal or Waterfront Area]   | No   |
| B.1.ii [Local Waterfront Revitalization Area]                                      | No   |
| C.2.b. [Special Planning District]   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook  |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]           | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                  | No   |
| E.2.g [Unique Geologic Features]   | No   |
| E.2.h.i [Surface Water Features]   | No   |
| E.2.h.ii [Surface Water Features]  | No   |
| E.2.h.iii [Surface Water Features]   | No   |
| E.2.h.v [Impaired Water Bodies]  | No   |
| E.2.i. [Floodway]  | No   |
| E.2.j. [100 Year Floodplain]   | No   |
| E.2.k. [500 Year Floodplain]   | No   |
| E.2.l. [Aquifers]  | No   |
| E.2.n. [Natural Communities]   | No   |
| E.2.o. [Endangered or Threatened Species]  | No   |
| E.2.p. [Rare Plants or Animals]  | No   |
| E.3.a. [Agricultural District]   | No   |

|   |  |
|---|--|
| E.3.c. [National Natural Landmark]            | No   |
| E.3.d [Critical Environmental Area]           | No   |
| E.3.e. [National Register of Historic Places] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.3.f. [Archeological Sites]                  | No   |
| E.3.i. [Designated River Corridor]            | No   |



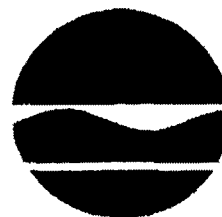
|   |   |
|---|---|
| B.1.i [Coastal or Waterfront Area]  | No  |
| B.1.ii [Local Waterfront Revitalization Area]                                       | No  |
| C.2.b. [Special Planning District]  | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h [DEC Spills or Remediation Site - Potential Contamination History]            | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.i [DEC Spills or Remediation Site - Listed]                                   | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.ii [DEC Spills or Remediation Site - Environmental Site Remediation Database] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook.  |
| E.1.h.iii [Within 2,000' of DEC Remediation Site]                                   | Yes   |
| E.1.h.iii [Within 2,000' of DEC Remediation Site - DEC ID]                          | C734103   |
| E.2.g [Unique Geologic Features]  | No  |
| E.2.h.i [Surface Water Features]  | Yes   |
| E.2.h.ii [Surface Water Features]   | Yes   |
| E.2.h.iii [Surface Water Features]  | Yes - Digital mapping information on local and federal wetlands and waterbodies is known to be incomplete. Refer to EAF Workbook. |
| E.2.h.iv [Surface Water Features - Wetlands Name]                                   | Federal Waters  |
| E.2.h.v [Impaired Water Bodies]   | No  |
| E.2.i. [Floodway]   | No  |
| E.2.j. [100 Year Floodplain]  | No  |
| E.2.k. [500 Year Floodplain]  | No  |
| E.2.l. [Aquifers]   | No  |

|   |  |
|---|--|
| E.2.n. [Natural Communities]                  | No   |
| E.2.o. [Endangered or Threatened Species]     | Yes  |
| E.2.p. [Rare Plants or Animals]               | No   |
| E.3.a. [Agricultural District]                | No   |
| E.3.c. [National Natural Landmark]            | No   |
| E.3.d [Critical Environmental Area]           | No   |
| E.3.e. [National Register of Historic Places] | Digital mapping data are not available or are incomplete. Refer to EAF Workbook. |
| E.3.f. [Archeological Sites]                  | Yes  |
| E.3.i. [Designated River Corridor]            | No   |

Attachment B

Agency Consultation

**NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION**  
**Division of Fish, Wildlife & Marine Resources**  
**New York Natural Heritage Program**  
625 Broadway, 5<sup>th</sup> Floor, Albany, New York 12233-4757  
Phone: (518) 402-8935 • Fax: (518) 402-8925  
Website: [www.dec.ny.gov](http://www.dec.ny.gov)



December 19, 2016

Kailee Van Brunt  
LaBella Associates  
300 Pearl Street, Suite 130  
Buffalo, NY 14202

Re: Syracuse Joint School Construction Board – Fowler High School Improvements  
Town/City: City of Syracuse County: Onondaga

Dear Kailee Van Brunt:

In response to your recent request, we have reviewed the New York Natural Heritage Program database with respect to the above project.

We have no records of rare or state-listed animals or plants, or significant natural communities at your site or in its immediate vicinity.

The absence of data does not necessarily mean that rare or state-listed species, significant natural communities, or other significant habitats do not exist on or adjacent to the proposed site. Rather, our files currently do not contain information that indicates their presence. For most sites, comprehensive field surveys have not been conducted. We cannot provide a definitive statement on the presence or absence of all rare or state-listed species or significant natural communities. Depending on the nature of the project and the conditions at the project site, further information from on-site surveys or other resources may be required to fully assess impacts on biological resources.

This response applies only to known occurrences of rare or state-listed animals and plants, significant natural communities, and other significant habitats maintained in the Natural Heritage database. Your project may require additional review or permits; for information regarding other permits that may be required under state law for regulated areas or activities (e.g., regulated wetlands), please contact the appropriate NYS DEC Regional Office, Division of Environmental Permits, as listed at [www.dec.ny.gov/about/39381.html](http://www.dec.ny.gov/about/39381.html).

Sincerely,

A handwritten signature in cursive script that reads "Andrea Chaloux".

Andrea Chaloux  
Environmental Review Specialist  
New York Natural Heritage Program

**NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION**  
**Division of Fish, Wildlife & Marine Resources**  
**New York Natural Heritage Program**  
625 Broadway, 5<sup>th</sup> Floor, Albany, New York 12233-4757  
Phone: (518) 402-8935 • Fax: (518) 402-8925  
Website: [www.dec.ny.gov](http://www.dec.ny.gov)



December 19, 2016

Kailee Neuner  
LaBella Associates  
300 Pearl Street, Suite 130  
Buffalo, NY 14202

Re: Syracuse Joint School Construction Board – Edward Smith Elementary School Improvements  
Town/City: City of Syracuse County: Onondaga

Dear Kailee Neuner:

In response to your recent request, we have reviewed the New York Natural Heritage Program database with respect to the above project.

Enclosed is a report of rare or state-listed animals and plants, and significant natural communities that our database indicates occur, or may occur, in the immediate vicinity of your site.

For most sites, comprehensive field surveys have not been conducted; the enclosed report only includes records from our database. We cannot provide a definitive statement as to the presence or absence of all rare or state-listed species or significant natural communities. Depending on the nature of the project and the conditions at the project site, further information from on-site surveys or other sources may be required to fully assess impacts on biological resources.

Our database is continually growing as records are added and updated. If this proposed project is still under development one year from now, we recommend that you contact us again so that we may update this response with the most current information.

The presence of the plants and animals identified in the enclosed report may result in this project requiring additional review or permit conditions. For further guidance, and for information regarding other permits that may be required under state law for regulated areas or activities (e.g., regulated wetlands), please contact the appropriate NYS DEC Regional Office, Division of Environmental Permits, as listed at [www.dec.ny.gov/about/39381.html](http://www.dec.ny.gov/about/39381.html).

Sincerely,

Andrea Chaloux  
Environmental Review Specialist  
New York Natural Heritage Program



**The following state-listed animals have been documented  
in the vicinity of the project site.**

The following list includes animals that are listed by NYS as Endangered, Threatened, or Special Concern; and/or that are federally listed or are candidates for federal listing.

**For information about any permit considerations for your project, contact the Permits staff at the NYSDEC Region 7 Office. For information about potential impacts of your project on these species, and how to avoid, minimize, or mitigate any impacts, contact the Wildlife Manager.**

**A listing of Regional Offices is at <http://www.dec.ny.gov/about/558.html>.**

**The following species have been documented within 2.5 miles of the project site. Individual animals may travel 2.5 miles from documented locations. The main impact of concern is the removal of potential roost trees.**

| <i>COMMON NAME</i>                            | <i>SCIENTIFIC NAME</i> | <i>NY STATE LISTING</i> | <i>FEDERAL LISTING</i> |       |
|---|------------------------|-------------------------|------------------------|-------|
| <b>Mammals</b>                                |                        |                         |                        |       |
| <b>Indiana Bat</b><br><i>Maternity colony</i> | <i>Myotis sodalis</i>  | Endangered              | Endangered             | 10736 |

**The following species have been documented within 4.5 miles of the project site. Individual animals may travel 5 miles from documented locations. The main impact of concern is the removal of potential roost trees.**

| <i>COMMON NAME</i>                                    | <i>SCIENTIFIC NAME</i>        | <i>NY STATE LISTING</i> | <i>FEDERAL LISTING</i> |       |
|---|-------------------------------|-------------------------|------------------------|-------|
| <b>Mammals</b>  |                               |                         |                        |       |
| <b>Northern Long-eared Bat</b><br><i>Hibernaculum</i> | <i>Myotis septentrionalis</i> | Threatened              | Threatened             | 14190 |

This report only includes records from the NY Natural Heritage database. For most sites, comprehensive field surveys have not been conducted, and we cannot provide a definitive statement as to the presence or absence of all rare or state-listed species. Depending on the nature of the project and the conditions at the project site, further information from on-site surveys or other sources may be required to fully assess impacts on biological resources.

If any rare plants or animals are documented during site visits, we request that information on the observations be provided to the New York Natural Heritage Program so that we may update our database.

Information about many of the listed animals in New York, including habitat, biology, identification, conservation, and management, are available online in Natural Heritage's Conservation Guides at [www.guides.nynhp.org](http://www.guides.nynhp.org), and from NYSDEC at [www.dec.ny.gov/animals/7494.html](http://www.dec.ny.gov/animals/7494.html).





**The following rare plants, rare animals, and significant natural communities have been documented in the vicinity of your project site.**

We recommend that potential onsite and offsite impacts of the proposed project on these species or communities be addressed as part of any environmental assessment or review conducted as part of the planning, permitting and approval process, such as reviews conducted under SEQR. Field surveys of the project site may be necessary to determine the status of a species at the site, particularly for sites that are currently undeveloped and may still contain suitable habitat. Final requirements of the project to avoid, minimize, or mitigate potential impacts are determined by the lead permitting agency or the government body approving the project.

The following plants are listed as Endangered or Threatened by New York State, and/or are considered rare by the New York Natural Heritage Program, and so are a vulnerable natural resource of conservation concern.

| COMMON NAME  | SCIENTIFIC NAME         | NY STATE LISTING | HERITAGE CONSERVATION STATUS |
|--|-------------------------|------------------|------------------------------|
| <b>Vascular Plants</b>   |                         |                  |                              |
| <b>Reflexed Sedge</b>  | <i>Carex retroflexa</i> | Threatened       | Imperiled in NYS             |
| Oakwood Cemetery, 1892-06-17: A large, mowed, and manicured cemetery with sandy soil. There are many exotic species present. |                         |                  | 8472                         |

This report only includes records from the NY Natural Heritage database. For most sites, comprehensive field surveys have not been conducted, and we cannot provide a definitive statement as to the presence or absence of all rare or state-listed species. Depending on the nature of the project and the conditions at the project site, further information from on-site surveys or other sources may be required to fully assess impacts on biological resources.

If any rare plants or animals are documented during site visits, we request that information on the observations be provided to the New York Natural Heritage Program so that we may update our database.

Information about many of the rare animals and plants in New York, including habitat, biology, identification, conservation, and management, are available online in Natural Heritage's Conservation Guides at [www.guides.nynhp.org](http://www.guides.nynhp.org), from NatureServe Explorer at [www.natureserve.org/explorer](http://www.natureserve.org/explorer), and from USDA's Plants Database at <http://plants.usda.gov/index.html> (for plants).

Information about many of the natural community types in New York, including identification, dominant and characteristic vegetation, distribution, conservation, and management, is available online in Natural Heritage's Conservation Guides at [www.guides.nynhp.org](http://www.guides.nynhp.org). For descriptions of all community types, go to [www.dec.ny.gov/animals/97703.html](http://www.dec.ny.gov/animals/97703.html) for Ecological Communities of New York State.



**The following rare plants and rare animals have  
historical records  
in the vicinity of your project site.**

The following rare plants and animals were documented in the vicinity of the project site at one time, but have not been documented there since 1979 or earlier, and/or there is uncertainty regarding their continued presence. There is no recent information on these plants and animals in the vicinity of the project site and their current status there is unknown. In most cases the precise location of the plant or animal in this vicinity at the time it was last documented is also unknown.

If suitable habitat for these plants or animals is present in the vicinity of the project site, it is possible that they may still occur there. We recommend that any field surveys to the site include a search for these species, particularly at sites that are currently undeveloped and may still contain suitable habitat.

| <i>COMMON NAME</i>                        | <i>SCIENTIFIC NAME</i> | <i>NYS LISTING</i> | <i>HERITAGE CONSERVATION STATUS</i> |
|---|------------------------|--------------------|-------------------------------------|
| <b>Vascular Plants</b>                    |                        |                    |                                     |
| <b>Glomerate Sedge</b>                    | <i>Carex aggregata</i> | Endangered         | Historical Records Only in NYS      |
| 1988-06-08: Oakwood Cemetery. Sandy soil. |                        |                    | 6714                                |

This report only includes records from the NY Natural Heritage database. For most sites, comprehensive field surveys have not been conducted, and we cannot provide a definitive statement as to the presence or absence of all rare or state-listed species. Depending on the nature of the project and the conditions at the project site, further information from on-site surveys or other sources may be required to fully assess impacts on biological resources.

If any rare plants or animals are documented during site visits, we request that information on the observations be provided to the New York Natural Heritage Program so that we may update our database.

Information about many of the rare animals and plants in New York, including habitat, biology, identification, conservation, and management, are available online in Natural Heritage's Conservation Guides at [www.guides.nynhp.org](http://www.guides.nynhp.org), from NatureServe Explorer at [www.natureserve.org/explorer](http://www.natureserve.org/explorer), and from USDA's Plants Database at <http://plants.usda.gov/index.html> (for plants).



## Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO  
Governor

ROSE HARVEY  
Commissioner

April 26, 2017

Mr. Raymond Bednarski, President and CEO  
Kideney Architects, P.C.  
143 Genesee Street  
Buffalo, NY 14203

Re. SED  
Syracuse City School District - Frazer Pre K-8 School  
741 Park Avenue, Syracuse, NY 13204  
17PR02002 / 42-18-00-01-0-009-011

Dear Mr. Bednarski:

Thank you for requesting the comments of the New York State Historic Preservation Office (SHPO). We have reviewed the provided documentation in accordance with Section 106 of the National Historic Preservation Act of 1966. These comments are those of SHPO and relate only to Historic/Cultural resources. They do not include other environmental impacts to New York State Parkland that may be involved in or near your project. Such impacts must be considered as part of the environmental review of the project pursuant to the National Environmental Quality Review Act (New York Environmental Conservation Law Article 8).

We note Frazer School is eligible for listing in the State and National Registers of Historic Places. Based upon this review, it is the OPRHP's opinion that this project will have No Adverse Impact on historic resources provided the following conditions are met:

1. Masonry cleaning provisions shall be met as specified in the National Park Service's Preservation Brief #1, *Cleaning and Water-Repellent Treatments for Historic Masonry Buildings*, <http://www.nps.gov/tps/how-to-preserve/briefs/1-cleaning-water-repellent.htm>.
2. New mortar shall match the historic mortar in all qualities including type, strength, color, texture, and tooling. For more information about this, see the National Park Service's Preservation Brief #2, *Repointing Mortar Joints in Historic Masonry Buildings*, <http://www.nps.gov/tps/how-to-preserve/briefs/2-repoint-mortar-joints.htm>.
3. Window Replacement Methodology: please submit shop drawings for all typical window types to be replaced for review and approval prior to ordering replacement windows as defined.

If there are substantive changes or unexpected discoveries, consultation with our office should resume. I can be reached at (518) 268-2170 if you have any questions.

Sincerely,

Laurie E. Klenkel  
Historic Site Restoration Coordinator  
e-mail: [laurie.klenkel@parks.ny.gov](mailto:laurie.klenkel@parks.ny.gov)

via e-mail only

---

Division for Historic Preservation

P.O. Box 189, Waterford, New York 12188-0189 • (518) 237-8643 • [www.nysparks.com](http://www.nysparks.com)



## Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO  
Governor

ROSE HARVEY  
Commissioner

March 16, 2017

Mrs. Erika Civitella  
Project Manager  
King Architects  
358 West Jefferson Street  
Syracuse, NY 13202

Re: SED  
The Huntington Elementary School  
400 Sunnycrest Road, Syracuse, NY 13206  
16PR08759  
16-44-5688

Dear Mrs. Civitella:

Thank you for continuing to consult with the Division for Historic Preservation of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the submitted materials in accordance with the New York State Historic Preservation Act of 1980 (section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the Division for Historic Preservation and relate only to Historic/Cultural resources.

We have reviewed the recently submitted drawings dated 2/1/2016. Based upon our review it is OPRHP's opinion the proposed work will have No Adverse Impact upon historic resources. If there are substantive changes, consultation with our office should resume.

If you have any questions, I can be reached at (518) 268-2181.

Sincerely,

Beth A. Cumming  
Senior Historic Site Restoration Coordinator  
e-mail: [beth.cumming@parks.ny.gov](mailto:beth.cumming@parks.ny.gov)

via e-mail only

cc: T. Ferrara - SCSD

---

Division for Historic Preservation

P.O. Box 189, Waterford, New York 12188-0189 • (518) 237-8643 • [www.nysparks.com](http://www.nysparks.com)



## Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO  
Governor

ROSE HARVEY  
Commissioner

May 23, 2017

Mr. Tom Ferrara  
Director of Facilities  
Syracuse City School District  
1025 Erie Blvd. West  
Syracuse, NY 13204

Re: SED  
Grant Middle School Renovation  
2400 Grant Blvd, Syracuse, NY 13208  
17PR02086  
42-18-00-01-0-112-012

Dear Mr. Ferrara:

Thank you for requesting the comments of the Division for Historic Preservation of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the submitted materials in accordance with the New York State Historic Preservation Act of 1980 (section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the Division for Historic Preservation and relate only to Historic/Cultural resources. They do not include potential environmental impacts to New York State Parkland that may be involved in or near your project. Such impacts must be considered as part of the environmental review of the project pursuant to the State Environmental Quality Review Act (New York Environmental Conservation Law Article 8) and its implementing regulations (6NYCRR Part 617).

We note that the Grant Middle School building is eligible for listing in the State and National Registers of Historic Places as an outstanding example of early Art Deco school design in Syracuse.

We have reviewed the project submission received on 4/27/2017 and subsequent information submitted on 5/17/2017, including the project drawings, specifications, and photos. Based upon this review, it is the OPRHP's opinion that the proposed project will have No Adverse Effect upon historic resources.

If there are substantive changes to the project, consultation with our office should resume. If you have any questions, I can be reached at (518) 268-2217.

Sincerely,

Christina Vagvolgyi  
Historic Preservation Technical Specialist  
e-mail: [christina.vagvolgyi@parks.ny.gov](mailto:christina.vagvolgyi@parks.ny.gov)

via e-mail only

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Division for Historic Preservation

P.O. Box 189, Waterford, New York 12188-0189 • (518) 237-8643 • [www.nysparks.com](http://www.nysparks.com)



## Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO  
Governor

ROSE HARVEY  
Commissioner

November 16, 2016

Mrs. Kailee Van Brunt  
Planner  
LaBella Associates, D.P.C.  
300 Pearl Street  
Suite 130  
Buffalo, NY 14202

Re: SED  
Syracuse Joint School Construction Board – Edward Smith Elementary School  
Improvements  
1106 Lancaster Ave, Syracuse, NY 13210  
16PR07721

Dear Mrs. Van Brunt:

Thank you for requesting the comments of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the project in accordance with the New York State Historic Preservation Act of 1980 (Section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the OPRHP and relate only to Historic/Cultural resources. They do not include potential environmental impacts to New York State Parkland that may be involved in or near your project. Such impacts must be considered as part of the environmental review of the project pursuant to the State Environmental Quality Review Act (New York Environmental Conservation Law Article 8) and its implementing regulations (6 NYCRR Part 617).

Based upon this review, it is the New York State Office of Parks, Recreation and Historic Preservation's opinion that your project will have no impact on archaeological and/or historic resources listed in or eligible for the New York State and National Registers of Historic Places.

If further correspondence is required regarding this project, please be sure to refer to the OPRHP Project Review (PR) number noted above.

Sincerely,

Ruth L. Pierpont

Deputy Commissioner for Historic Preservation

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Division for Historic Preservation

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## Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO  
Governor

ROSE HARVEY  
Commissioner

November 16, 2016

Mrs. Kailee Van Brunt  
Planner  
LaBella Associates, D.P.C.  
300 Pearl Street  
Suite 130  
Buffalo, NY 14202

Re: SED  
Syracuse Joint School Construction Board – Fowler High School Improvements  
City of Syracuse, Onondaga County, NY  
16PR07696

Dear Mrs. Van Brunt:

Thank you for requesting the comments of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the project in accordance with the New York State Historic Preservation Act of 1980 (Section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the OPRHP and relate only to Historic/Cultural resources. They do not include potential environmental impacts to New York State Parkland that may be involved in or near your project. Such impacts must be considered as part of the environmental review of the project pursuant to the State Environmental Quality Review Act (New York Environmental Conservation Law Article 8) and its implementing regulations (6 NYCRR Part 617).

Based upon this review, it is the New York State Office of Parks, Recreation and Historic Preservation's opinion that your project will have no impact on archaeological and/or historic resources listed in or eligible for the New York State and National Registers of Historic Places.

If further correspondence is required regarding this project, please be sure to refer to the OPRHP Project Review (PR) number noted above.

Sincerely,

Ruth L. Pierpont

Deputy Commissioner for Historic Preservation

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**Full Environmental Assessment Form**  
**Part 2 - Identification of Potential Project Impacts**

Agency Use Only [If applicable]

Project:   
 Date:

**Part 2 is to be completed by the lead agency.** Part 2 is designed to help the lead agency inventory all potential resources that could be affected by a proposed project or action. We recognize that the lead agency's reviewer(s) will not necessarily be environmental professionals. So, the questions are designed to walk a reviewer through the assessment process by providing a series of questions that can be answered using the information found in Part 1. To further assist the lead agency in completing Part 2, the form identifies the most relevant questions in Part 1 that will provide the information needed to answer the Part 2 question. When Part 2 is completed, the lead agency will have identified the relevant environmental areas that may be impacted by the proposed activity.

If the lead agency is a state agency and the action is in any Coastal Area, complete the Coastal Assessment Form before proceeding with this assessment.

**Tips for completing Part 2:**

- Review all of the information provided in Part 1.
- Review any application, maps, supporting materials and the Full EAF Workbook.
- Answer each of the 18 questions in Part 2.
- If you answer "Yes" to a numbered question, please complete all the questions that follow in that section.
- If you answer "No" to a numbered question, move on to the next numbered question.
- Check appropriate column to indicate the anticipated size of the impact.
- Proposed projects that would exceed a numeric threshold contained in a question should result in the reviewing agency checking the box "Moderate to large impact may occur."
- The reviewer is not expected to be an expert in environmental analysis.
- If you are not sure or undecided about the size of an impact, it may help to review the sub-questions for the general question and consult the workbook.
- When answering a question consider all components of the proposed activity, that is, the "whole action".
- Consider the possibility for long-term and cumulative impacts as well as direct impacts.
- Answer the question in a reasonable manner considering the scale and context of the project.

|   |                                    |   |   |
|---|------------------------------------|---|---|
| <b>1. Impact on Land</b><br>Proposed action may involve construction on, or physical alteration of, the land surface of the proposed site. (See Part 1. D.1)<br><i>If "Yes", answer questions a - j. If "No", move on to Section 2.</i> | <input type="checkbox"/> NO        | <input checked="" type="checkbox"/> YES |   |
|   | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b>    | <b>Moderate to large impact may occur</b> |
| a. The proposed action may involve construction on land where depth to water table is less than 3 feet.   | E2d                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| b. The proposed action may involve construction on slopes of 15% or greater.  | E2f                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| c. The proposed action may involve construction on land where bedrock is exposed, or generally within 5 feet of existing ground surface.  | E2a                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| d. The proposed action may involve the excavation and removal of more than 1,000 tons of natural material.  | D2a                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| e. The proposed action may involve construction that continues for more than one year or in multiple phases.  | D1e                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| f. The proposed action may result in increased erosion, whether from physical disturbance or vegetation removal (including from treatment by herbicides).   | D2e, D2q                           | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| g. The proposed action is, or may be, located within a Coastal Erosion hazard area.   | B1i                                | <input checked="" type="checkbox"/>     | <input type="checkbox"/>                  |
| h. Other impacts: _____<br>_____  |                                    | <input type="checkbox"/>                | <input type="checkbox"/>                  |



**2. Impact on Geological Features**  
 The proposed action may result in the modification or destruction of, or inhibit access to, any unique or unusual land forms on the site (e.g., cliffs, dunes, minerals, fossils, caves). (See Part 1. E.2.g)  NO  YES  
*If "Yes", answer questions a - c. If "No", move on to Section 3.*

|   | Relevant Part I Question(s) | No, or small impact may occur | Moderate to large impact may occur |
|---|-----------------------------|-------------------------------|------------------------------------|
| a. Identify the specific land form(s) attached: _____   | E2g                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may affect or is adjacent to a geological feature listed as a registered National Natural Landmark.<br>Specific feature: _____ | E3c                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. Other impacts: _____   |                             | <input type="checkbox"/>      | <input type="checkbox"/>           |

**3. Impacts on Surface Water**  
 The proposed action may affect one or more wetlands or other surface water bodies (e.g., streams, rivers, ponds or lakes). (See Part 1. D.2, E.2.h)  NO  YES  
*If "Yes", answer questions a - l. If "No", move on to Section 4.*

|  | Relevant Part I Question(s) | No, or small impact may occur | Moderate to large impact may occur |
|--|-----------------------------|-------------------------------|------------------------------------|
| a. The proposed action may create a new water body.  | D2b, D1h                    | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may result in an increase or decrease of over 10% or more than a 10 acre increase or decrease in the surface area of any body of water.                 | D2b                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action may involve dredging more than 100 cubic yards of material from a wetland or water body.  | D2a                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action may involve construction within or adjoining a freshwater or tidal wetland, or in the bed or banks of any other water body.                             | E2h                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. The proposed action may create turbidity in a waterbody, either from upland erosion, runoff or by disturbing bottom sediments.  | D2a, D2h                    | <input type="checkbox"/>      | <input type="checkbox"/>           |
| f. The proposed action may include construction of one or more intake(s) for withdrawal of water from surface water.   | D2c                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| g. The proposed action may include construction of one or more outfall(s) for discharge of wastewater to surface water(s).   | D2d                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| h. The proposed action may cause soil erosion, or otherwise create a source of stormwater discharge that may lead to siltation or other degradation of receiving water bodies. | D2e                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| i. The proposed action may affect the water quality of any water bodies within or downstream of the site of the proposed action.   | E2h                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| j. The proposed action may involve the application of pesticides or herbicides in or around any water body.  | D2q, E2h                    | <input type="checkbox"/>      | <input type="checkbox"/>           |
| k. The proposed action may require the construction of new, or expansion of existing, wastewater treatment facilities.   | D1a, D2d                    | <input type="checkbox"/>      | <input type="checkbox"/>           |

|                                  |  |                          |                          |
|----------------------------------|--|--------------------------|--------------------------|
| i. Other impacts: _____<br>_____ |  | <input type="checkbox"/> | <input type="checkbox"/> |
|----------------------------------|--|--------------------------|--------------------------|

|   |                                    |                                      |   |
|---|------------------------------------|--------------------------------------|---|
| <b>4. Impact on groundwater</b><br>The proposed action may result in new or additional use of ground water, or may have the potential to introduce contaminants to ground water or an aquifer. <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES<br>(See Part 1. D.2.a, D.2.c, D.2.d, D.2.p, D.2.q, D.2.t)<br><i>If "Yes", answer questions a - h. If "No", move on to Section 5.</i> |                                    |                                      |   |
|   | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b> | <b>Moderate to large impact may occur</b> |
| a. The proposed action may require new water supply wells, or create additional demand on supplies from existing water supply wells.  | D2c                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| b. Water supply demand from the proposed action may exceed safe and sustainable withdrawal capacity rate of the local supply or aquifer.<br>Cite Source: _____  | D2c                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| c. The proposed action may allow or result in residential uses in areas without water and sewer services.   | D1a, D2c                           | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| d. The proposed action may include or require wastewater discharged to groundwater  | D2d, E2l                           | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| e. The proposed action may result in the construction of water supply wells in locations where groundwater is, or is suspected to be, contaminated.   | D2c, E1f, E1g, E1h                 | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| f. The proposed action may require the bulk storage of petroleum or chemical products over ground water or an aquifer.  | D2p, E2l                           | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| g. The proposed action may involve the commercial application of pesticides within 100 feet of potable drinking water or irrigation sources.  | E2h, D2q, E2l, D2c                 | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| h. Other impacts: _____<br>_____  |                                    | <input type="checkbox"/>             | <input type="checkbox"/>                  |

|   |                                    |                                      |   |
|---|------------------------------------|--------------------------------------|---|
| <b>5. Impact on Flooding</b><br>The proposed action may result in development on lands subject to flooding. <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES<br>(See Part 1. E.2)<br><i>If "Yes", answer questions a - g. If "No", move on to Section 6.</i> |                                    |                                      |   |
|   | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b> | <b>Moderate to large impact may occur</b> |
| a. The proposed action may result in development in a designated floodway.  | E2i                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| b. The proposed action may result in development within a 100 year floodplain.  | E2j                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| c. The proposed action may result in development within a 500 year floodplain.  | E2k                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| d. The proposed action may result in, or require, modification of existing drainage patterns.   | D2b, D2e                           | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| e. The proposed action may change flood water flows that contribute to flooding.  | D2b, E2i, E2j, E2k                 | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| f. If there is a dam located on the site of the proposed action, is the dam in need of repair, or upgrade?  | E1e                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |

|                                  |  |                          |                          |
|----------------------------------|--|--------------------------|--------------------------|
| g. Other impacts: _____<br>_____ |  | <input type="checkbox"/> | <input type="checkbox"/> |
|----------------------------------|--|--------------------------|--------------------------|

|  |                                    |                                      |   |
|--|------------------------------------|--------------------------------------|---|
| <b>6. Impacts on Air</b><br>The proposed action may include a state regulated air emission source. <span style="float: right;"><input checked="" type="checkbox"/> NO <input type="checkbox"/> YES</span><br>(See Part 1. D.2.f., D.2.h, D.2.g)<br><i>If "Yes", answer questions a - f. If "No", move on to Section 7.</i> |                                    |                                      |   |
|  | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b> | <b>Moderate to large impact may occur</b> |
| a. If the proposed action requires federal or state air emission permits, the action may also emit one or more greenhouse gases at or above the following levels:  |                                    |                                      |   |
| i. More than 1000 tons/year of carbon dioxide (CO <sub>2</sub> )   | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| ii. More than 3.5 tons/year of nitrous oxide (N <sub>2</sub> O)  | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| iii. More than 1000 tons/year of carbon equivalent of perfluorocarbons (PFCs)  | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| iv. More than .045 tons/year of sulfur hexafluoride (SF <sub>6</sub> )   | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| v. More than 1000 tons/year of carbon dioxide equivalent of hydrochloroflourocarbons (HFCs) emissions  | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| vi. 43 tons/year or more of methane  | D2h                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| b. The proposed action may generate 10 tons/year or more of any one designated hazardous air pollutant, or 25 tons/year or more of any combination of such hazardous air pollutants.   | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| c. The proposed action may require a state air registration, or may produce an emissions rate of total contaminants that may exceed 5 lbs. per hour, or may include a heat source capable of producing more than 10 million BTU's per hour.  | D2f, D2g                           | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| d. The proposed action may reach 50% of any of the thresholds in "a" through "c", above.   | D2g                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| e. The proposed action may result in the combustion or thermal treatment of more than 1 ton of refuse per hour.  | D2s                                | <input type="checkbox"/>             | <input type="checkbox"/>                  |
| f. Other impacts: _____<br>_____   |                                    | <input type="checkbox"/>             | <input type="checkbox"/>                  |

|  |                                    |                                      |   |
|--|------------------------------------|--------------------------------------|---|
| <b>7. Impact on Plants and Animals</b><br>The proposed action may result in a loss of flora or fauna. (See Part 1. E.2. m.-q.) <span style="float: right;"><input type="checkbox"/> NO <input checked="" type="checkbox"/> YES</span><br><i>If "Yes", answer questions a - j. If "No", move on to Section 8.</i> |                                    |                                      |   |
|  | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b> | <b>Moderate to large impact may occur</b> |
| a. The proposed action may cause reduction in population or loss of individuals of any threatened or endangered species, as listed by New York State or the Federal government, that use the site, or are found on, over, or near the site.  | E2o                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |
| b. The proposed action may result in a reduction or degradation of any habitat used by any rare, threatened or endangered species, as listed by New York State or the federal government.  | E2o                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |
| c. The proposed action may cause reduction in population, or loss of individuals, of any species of special concern or conservation need, as listed by New York State or the Federal government, that use the site, or are found on, over, or near the site.   | E2p                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |
| d. The proposed action may result in a reduction or degradation of any habitat used by any species of special concern and conservation need, as listed by New York State or the Federal government.  | E2p                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |

|   |     |                                     |                          |
|---|-----|-------------------------------------|--------------------------|
| e. The proposed action may diminish the capacity of a registered National Natural Landmark to support the biological community it was established to protect.                               | E3c | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. The proposed action may result in the removal of, or ground disturbance in, any portion of a designated significant natural community.<br>Source: _____                                  | E2n | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. The proposed action may substantially interfere with nesting/breeding, foraging, or over-wintering habitat for the predominant species that occupy or use the project site.              | E2m | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h. The proposed action requires the conversion of more than 10 acres of forest, grassland or any other regionally or locally important habitat.<br>Habitat type & information source: _____ | E1b | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| i. Proposed action (commercial, industrial or recreational projects, only) involves use of herbicides or pesticides.  | D2q | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| j. Other impacts: _____   |     | <input type="checkbox"/>            | <input type="checkbox"/> |

|  |                                    |  |   |
|--|------------------------------------|--|---|
| <b>8. Impact on Agricultural Resources</b>   |                                    |  |   |
| The proposed action may impact agricultural resources. (See Part 1. E.3.a. and b.)   |                                    | <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES              |
| <i>If "Yes", answer questions a - h. If "No", move on to Section 9.</i>  |                                    |  |   |
|  | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b>   | <b>Moderate to large impact may occur</b> |
| a. The proposed action may impact soil classified within soil group 1 through 4 of the NYS Land Classification System.   | E2c, E3b                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| b. The proposed action may sever, cross or otherwise limit access to agricultural land (includes cropland, hayfields, pasture, vineyard, orchard, etc).  | E1a, E1b                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| c. The proposed action may result in the excavation or compaction of the soil profile of active agricultural land.   | E3b                                | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| d. The proposed action may irreversibly convert agricultural land to non-agricultural uses, either more than 2.5 acres if located in an Agricultural District, or more than 10 acres if not within an Agricultural District. | E1b, E3a                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| e. The proposed action may disrupt or prevent installation of an agricultural land management system.  | E1 a, E1b                          | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| f. The proposed action may result, directly or indirectly, in increased development potential or pressure on farmland.   | C2c, C3, D2c, D2d                  | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| g. The proposed project is not consistent with the adopted municipal Farmland Protection Plan.   | C2c                                | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| h. Other impacts: _____  |                                    | <input type="checkbox"/>               | <input type="checkbox"/>                  |

|  |                                    |  |  |
|--|------------------------------------|--|--|
| <b>9. Impact on Aesthetic Resources</b><br>The land use of the proposed action are obviously different from, or are in sharp contrast to, current land use patterns between the proposed project and a scenic or aesthetic resource. (Part 1. E.1.a, E.1.b, E.3.h.)<br><i>If "Yes", answer questions a - g. If "No", go to Section 10.</i> |                                    |  |  |
|  |                                    | <input checked="" type="checkbox"/> NO               | <input type="checkbox"/> YES                         |
|  | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b>                 | <b>Moderate to large impact may occur</b>            |
| a. Proposed action may be visible from any officially designated federal, state, or local scenic or aesthetic resource.  | E3h                                | <input type="checkbox"/>                             | <input type="checkbox"/>                             |
| b. The proposed action may result in the obstruction, elimination or significant screening of one or more officially designated scenic views.  | E3h, C2b                           | <input type="checkbox"/>                             | <input type="checkbox"/>                             |
| c. The proposed action may be visible from publicly accessible vantage points:<br>i. Seasonally (e.g., screened by summer foliage, but visible during other seasons)<br>ii. Year round   | E3h                                | <input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/> |
| d. The situation or activity in which viewers are engaged while viewing the proposed action is:<br>i. Routine travel by residents, including travel to and from work<br>ii. Recreational or tourism based activities   | E3h<br>E2q,<br>E1c                 | <input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/> |
| e. The proposed action may cause a diminishment of the public enjoyment and appreciation of the designated aesthetic resource.   | E3h                                | <input type="checkbox"/>                             | <input type="checkbox"/>                             |
| f. There are similar projects visible within the following distance of the proposed project:<br>0-1/2 mile<br>1/2 -3 mile<br>3-5 mile<br>5+ mile   | D1a, E1a,<br>D1f, D1g              | <input type="checkbox"/>                             | <input type="checkbox"/>                             |
| g. Other impacts: _____<br>_____   |                                    | <input type="checkbox"/>                             | <input type="checkbox"/>                             |

|  |                                    |                                      |   |
|--|------------------------------------|--------------------------------------|---|
| <b>10. Impact on Historic and Archeological Resources</b><br>The proposed action may occur in or adjacent to a historic or archaeological resource. (Part 1. E.3.e, f. and g.)<br><i>If "Yes", answer questions a - e. If "No", go to Section 11.</i>  |                                    |                                      |   |
|  |                                    | <input type="checkbox"/> NO          | <input checked="" type="checkbox"/> YES   |
|  | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b> | <b>Moderate to large impact may occur</b> |
| a. The proposed action may occur wholly or partially within, or substantially contiguous to, any buildings, archaeological site or district which is listed on or has been nominated by the NYS Board of Historic Preservation for inclusion on the State or National Register of Historic Places. | E3e                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |
| b. The proposed action may occur wholly or partially within, or substantially contiguous to, an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory.   | E3f                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |
| c. The proposed action may occur wholly or partially within, or substantially contiguous to, an archaeological site not included on the NY SHPO inventory<br>Source: _____   | E3g                                | <input checked="" type="checkbox"/>  | <input type="checkbox"/>                  |

|  |                            |                          |                          |
|--|----------------------------|--------------------------|--------------------------|
| d. Other impacts: _____<br>_____   |                            | <input type="checkbox"/> | <input type="checkbox"/> |
| e. If any of the above (a-d) are answered "Moderate to large impact may occur", continue with the following questions to help support conclusions in Part 3: |                            |                          |                          |
| i. The proposed action may result in the destruction or alteration of all or part of the site or property.   | E3e, E3g, E3f              | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. The proposed action may result in the alteration of the property's setting or integrity.   | E3e, E3f, E3g, E1a, E1b    | <input type="checkbox"/> | <input type="checkbox"/> |
| iii. The proposed action may result in the introduction of visual elements which are out of character with the site or property, or may alter its setting.   | E3e, E3f, E3g, E3h, C2, C3 | <input type="checkbox"/> | <input type="checkbox"/> |

**11. Impact on Open Space and Recreation**  
The proposed action may result in a loss of recreational opportunities or a reduction of an open space resource as designated in any adopted municipal open space plan.  NO  YES  
(See Part 1. C.2.c, E.1.c., E.2.q.)  
If "Yes", answer questions a - e. If "No", go to Section 12.

|   | Relevant Part I Question(s)       | No, or small impact may occur | Moderate to large impact may occur |
|---|-----------------------------------|-------------------------------|------------------------------------|
| a. The proposed action may result in an impairment of natural functions, or "ecosystem services", provided by an undeveloped area, including but not limited to stormwater storage, nutrient cycling, wildlife habitat. | D2e, E1b, E2h, E2m, E2o, E2n, E2p | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may result in the loss of a current or future recreational resource.   | C2a, E1c, C2c, E2q                | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action may eliminate open space or recreational resource in an area with few such resources.  | C2a, C2c, E1c, E2q                | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action may result in loss of an area now used informally by the community as an open space resource.  | C2c, E1c                          | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. Other impacts: _____<br>_____  |                                   | <input type="checkbox"/>      | <input type="checkbox"/>           |

**12. Impact on Critical Environmental Areas**  
The proposed action may be located within or adjacent to a critical environmental area (CEA). (See Part 1. E.3.d)  NO  YES  
If "Yes", answer questions a - c. If "No", go to Section 13.

|  | Relevant Part I Question(s) | No, or small impact may occur | Moderate to large impact may occur |
|--|-----------------------------|-------------------------------|------------------------------------|
| a. The proposed action may result in a reduction in the quantity of the resource or characteristic which was the basis for designation of the CEA. | E3d                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may result in a reduction in the quality of the resource or characteristic which was the basis for designation of the CEA.  | E3d                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. Other impacts: _____<br>_____   |                             | <input type="checkbox"/>      | <input type="checkbox"/>           |

**13. Impact on Transportation**  
 The proposed action may result in a change to existing transportation systems.  NO  YES  
 (See Part 1. D.2.j)  
*If "Yes", answer questions a - f. If "No", go to Section 14.*

|   | Relevant Part I Question(s) | No, or small impact may occur | Moderate to large impact may occur |
|---|-----------------------------|-------------------------------|------------------------------------|
| a. Projected traffic increase may exceed capacity of existing road network.                           | D2j                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may result in the construction of paved parking area for 500 or more vehicles. | D2j                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action will degrade existing transit access.  | D2j                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action will degrade existing pedestrian or bicycle accommodations.                    | D2j                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. The proposed action may alter the present pattern of movement of people or goods.                  | D2j                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| f. Other impacts: _____<br>_____  |                             | <input type="checkbox"/>      | <input type="checkbox"/>           |

**14. Impact on Energy**  
 The proposed action may cause an increase in the use of any form of energy.  NO  YES  
 (See Part 1. D.2.k)  
*If "Yes", answer questions a - e. If "No", go to Section 15.*

|  | Relevant Part I Question(s) | No, or small impact may occur | Moderate to large impact may occur |
|--|-----------------------------|-------------------------------|------------------------------------|
| a. The proposed action will require a new, or an upgrade to an existing, substation.   | D2k                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action will require the creation or extension of an energy transmission or supply system to serve more than 50 single or two-family residences or to serve a commercial or industrial use. | D1f, D1q, D2k               | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action may utilize more than 2,500 MWhrs per year of electricity.  | D2k                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action may involve heating and/or cooling of more than 100,000 square feet of building area when completed.  | D1g                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. Other Impacts: _____<br>_____   |                             |                               |                                    |

**15. Impact on Noise, Odor, and Light**  
 The proposed action may result in an increase in noise, odors, or outdoor lighting.  NO  YES  
 (See Part 1. D.2.m., n., and o.)  
*If "Yes", answer questions a - f. If "No", go to Section 16.*

|  | Relevant Part I Question(s) | No, or small impact may occur       | Moderate to large impact may occur |
|--|-----------------------------|-------------------------------------|------------------------------------|
| a. The proposed action may produce sound above noise levels established by local regulation.   | D2m                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>           |
| b. The proposed action may result in blasting within 1,500 feet of any residence, hospital, school, licensed day care center, or nursing home. | D2m, E1d                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>           |
| c. The proposed action may result in routine odors for more than one hour per day.   | D2o                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>           |

|   |          |                                     |                          |
|---|----------|-------------------------------------|--------------------------|
| d. The proposed action may result in light shining onto adjoining properties.                           | D2n      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. The proposed action may result in lighting creating sky-glow brighter than existing area conditions. | D2n, E1a | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Other impacts: _____<br>_____  |          | <input type="checkbox"/>            | <input type="checkbox"/> |

|   |                                    |  |   |
|---|------------------------------------|--|---|
| <b>16. Impact on Human Health</b>   |                                    |  |   |
| The proposed action may have an impact on human health from exposure to new or existing sources of contaminants. (See Part 1.D.2.q., E.1. d. f. g. and h.)  |                                    | <input checked="" type="checkbox"/> NO | <input type="checkbox"/> YES              |
| <i>If "Yes", answer questions a - m. If "No", go to Section 17.</i>   |                                    |  |   |
|   | <b>Relevant Part I Question(s)</b> | <b>No, or small impact may occur</b>   | <b>Moderate to large impact may occur</b> |
| a. The proposed action is located within 1500 feet of a school, hospital, licensed day care center, group home, nursing home or retirement community.   | E1d                                | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| b. The site of the proposed action is currently undergoing remediation.   | E1g, E1h                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| c. There is a completed emergency spill remediation, or a completed environmental site remediation on, or adjacent to, the site of the proposed action.   | E1g, E1h                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| d. The site of the action is subject to an institutional control limiting the use of the property (e.g., easement or deed restriction).   | E1g, E1h                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| e. The proposed action may affect institutional control measures that were put in place to ensure that the site remains protective of the environment and human health.                               | E1g, E1h                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| f. The proposed action has adequate control measures in place to ensure that future generation, treatment and/or disposal of hazardous wastes will be protective of the environment and human health. | D2t                                | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| g. The proposed action involves construction or modification of a solid waste management facility.  | D2q, E1f                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| h. The proposed action may result in the unearthing of solid or hazardous waste.  | D2q, E1f                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| i. The proposed action may result in an increase in the rate of disposal, or processing, of solid waste.  | D2r, D2s                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| j. The proposed action may result in excavation or other disturbance within 2000 feet of a site used for the disposal of solid or hazardous waste.  | E1f, E1g<br>E1h                    | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| k. The proposed action may result in the migration of explosive gases from a landfill site to adjacent off site structures.   | E1f, E1g                           | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| l. The proposed action may result in the release of contaminated leachate from the project site.  | D2s, E1f,<br>D2r                   | <input type="checkbox"/>               | <input type="checkbox"/>                  |
| m. Other impacts: _____<br>_____  |                                    |  |   |



**17. Consistency with Community Plans**  
 The proposed action is not consistent with adopted land use plans.  NO  YES  
 (See Part 1. C.1, C.2, and C.3.)  
 If "Yes", answer questions a - h. If "No", go to Section 18.

|  | Relevant Part I Question(s)       | No, or small impact may occur | Moderate to large impact may occur |
|--|-----------------------------------|-------------------------------|------------------------------------|
| a. The proposed action's land use components may be different from, or in sharp contrast to, current surrounding land use pattern(s).                                | C2, C3, D1a<br>E1a, E1b           | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action will cause the permanent population of the city, town or village in which the project is located to grow by more than 5%.                     | C2                                | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action is inconsistent with local land use plans or zoning regulations.  | C2, C2, C3                        | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action is inconsistent with any County plans, or other regional land use plans.  | C2, C2                            | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. The proposed action may cause a change in the density of development that is not supported by existing infrastructure or is distant from existing infrastructure. | C3, D1c,<br>D1d, D1f,<br>D1d, E1b | <input type="checkbox"/>      | <input type="checkbox"/>           |
| f. The proposed action is located in an area characterized by low density development that will require new or expanded public infrastructure.                       | C4, D2c, D2d<br>D2j               | <input type="checkbox"/>      | <input type="checkbox"/>           |
| g. The proposed action may induce secondary development impacts (e.g., residential or commercial development not included in the proposed action)                    | C2a                               | <input type="checkbox"/>      | <input type="checkbox"/>           |
| h. Other: _____<br>_____   |                                   | <input type="checkbox"/>      | <input type="checkbox"/>           |

**18. Consistency with Community Character**  
 The proposed project is inconsistent with the existing community character.  NO  YES  
 (See Part 1. C.2, C.3, D.2, E.3)  
 If "Yes", answer questions a - g. If "No", proceed to Part 3

|  | Relevant Part I Question(s)    | No, or small impact may occur | Moderate to large impact may occur |
|--|--------------------------------|-------------------------------|------------------------------------|
| a. The proposed action may replace or eliminate existing facilities, structures, or areas of historic importance to the community. | E3e, E3f, E3g                  | <input type="checkbox"/>      | <input type="checkbox"/>           |
| b. The proposed action may create a demand for additional community services (e.g. schools, police and fire)                       | C4                             | <input type="checkbox"/>      | <input type="checkbox"/>           |
| c. The proposed action may displace affordable or low-income housing in an area where there is a shortage of such housing.         | C2, C3, D1f<br>D1g, E1a        | <input type="checkbox"/>      | <input type="checkbox"/>           |
| d. The proposed action may interfere with the use or enjoyment of officially recognized or designated public resources.            | C2, E3                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| e. The proposed action is inconsistent with the predominant architectural scale and character.                                     | C2, C3                         | <input type="checkbox"/>      | <input type="checkbox"/>           |
| f. Proposed action is inconsistent with the character of the existing natural landscape.   | C2, C3<br>E1a, E1b<br>E2g, E2h | <input type="checkbox"/>      | <input type="checkbox"/>           |
| g. Other impacts: _____<br>_____   |                                | <input type="checkbox"/>      | <input type="checkbox"/>           |

**PRINT FULL FORM**

Project :

Date :

**Full Environmental Assessment Form**  
**Part 3 - Evaluation of the Magnitude and Importance of Project Impacts**  
**and**  
**Determination of Significance**

Part 3 provides the reasons in support of the determination of significance. The lead agency must complete Part 3 for every question in Part 2 where the impact has been identified as potentially moderate to large or where there is a need to explain why a particular element of the proposed action will not, or may, result in a significant adverse environmental impact.

Based on the analysis in Part 3, the lead agency must decide whether to require an environmental impact statement to further assess the proposed action or whether available information is sufficient for the lead agency to conclude that the proposed action will not have a significant adverse environmental impact. By completing the certification on the next page, the lead agency can complete its determination of significance.

**Reasons Supporting This Determination:**

To complete this section:

- Identify the impact based on the Part 2 responses and describe its magnitude. Magnitude considers factors such as severity, size or extent of an impact.
- Assess the importance of the impact. Importance relates to the geographic scope, duration, probability of the impact occurring, number of people affected by the impact and any additional environmental consequences if the impact were to occur.
- The assessment should take into consideration any design element or project changes.
- Repeat this process for each Part 2 question where the impact has been identified as potentially moderate to large or where there is a need to explain why a particular element of the proposed action will not, or may, result in a significant adverse environmental impact.
- Provide the reason(s) why the impact may, or will not, result in a significant adverse environmental impact
- For Conditional Negative Declarations identify the specific condition(s) imposed that will modify the proposed action so that no significant adverse environmental impacts will result.
- Attach additional sheets, as needed.

See attached

**Determination of Significance - Type 1 and Unlisted Actions**

SEQR Status:            Type 1                    Unlisted

Identify portions of EAF completed for this Project:    Part 1            Part 2            Part 3

Upon review of the information recorded on this EAF, as noted, plus this additional support information application and related project materials

and considering both the magnitude and importance of each identified potential impact, it is the conclusion of the City of Syracuse Industrial Development Agency \_\_\_\_\_ as lead agency that:

A. This project will result in no significant adverse impacts on the environment, and, therefore, an environmental impact statement need not be prepared. Accordingly, this negative declaration is issued.

B. Although this project could have a significant adverse impact on the environment, that impact will be avoided or substantially mitigated because of the following conditions which will be required by the lead agency:

There will, therefore, be no significant adverse impacts from the project as conditioned, and, therefore, this conditioned negative declaration is issued. A conditioned negative declaration may be used only for UNLISTED actions (see 6 NYCRR 617.d).

C. This Project may result in one or more significant adverse impacts on the environment, and an environmental impact statement must be prepared to further assess the impact(s) and possible mitigation and to explore alternatives to avoid or reduce those impacts. Accordingly, this positive declaration is issued.

Name of Action: 321 South Salina Street, LLC

Name of Lead Agency: City of Syracuse Industrial Development Agency

Name of Responsible Officer in Lead Agency:

Title of Responsible Officer: Chair

Signature of Responsible Officer in Lead Agency:

Date:

Signature of Preparer (if different from Responsible Officer)

Date:

**For Further Information:**

Contact Person: Honora Spillane, Deputy Commissioner, Dept. of Neighborhood and Business Development

Address: 201 E. Washington Street, 7th Fl., Syracuse, NY 13202

Telephone Number: 315-473-3275

E-mail: HSpillane@syr.gov.net

**For Type 1 Actions and Conditioned Negative Declarations, a copy of this Notice is sent to:**

Chief Executive Officer of the political subdivision in which the action will be principally located (e.g., Town / City / Village of)

Other involved agencies (if any)

Applicant (if any)

Environmental Notice Bulletin: <http://www.dec.ny.gov/enb/enb.htm>

PRINT FULL FORM

**NEGATIVE DECLARATION**

**NOTICE OF DETERMINATION  
OF NO SIGNIFICANT EFFECT  
ON THE ENVIRONMENT**

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In accordance with Article 8 (State Environmental Quality Review a/k/a SEQR) of the Environmental Conservation Law (the "Act"), and the statewide regulations under the Act (6 NYCRR Part 617) (the "Regulations"), the City of Syracuse Industrial Development Agency ("Agency") has considered the proposed Syracuse Joint School Construction Board Project, which is more accurately described below. The Agency has determined: (i) that the proposed project is a Type I Action pursuant to the Regulations; (ii) that the Agency has engaged in an environmental review of the Project; (iii) that upon conducting said review, the Agency has determined that the Project will result in no major environmental impacts and therefore will not have a significant effect on the environment; and (iv) that an environmental impact statement is not required to be prepared with respect to said Project. THIS NOTICE IS A NEGATIVE DECLARATION FOR THE PURPOSES OF THE ACT.

1. Agency:

The Agency is the City of Syracuse Industrial Development Agency, Syracuse, New York.

2. Contact for Further Information:

Contact Person:  
Ms. Honora Spillane, Executive Director

Address:  
City of Syracuse Dept. of Neighborhood and Business Development  
City Hall Commons – 7<sup>th</sup> Fl.,  
201 E. Washington Street  
Syracuse, NY 13202

Telephone Number: (315) 473-3275

3. Project Description:

Syracuse Joint School Construction Board (the "JSCB"), acting as agent of the City of Syracuse, New York (the "City") and the City School District of the City of Syracuse (the "SCSD"), requested that the Agency undertake phase II of a certain project (the "Series 2018 Project") consisting of: (A)(i) the acquisition or

continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "Buildings"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "Equipment" and together with the Buildings, the "Facilities") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018 Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project-Series 2018 Project) in an aggregate principal amount of up to \$82,000,000 (the "Series 2018 Bonds").

In addition, JSCB indicated to the Agency its intent to apply for additional financial assistance from the Agency in the next few months in furtherance of the Series 2018 Project for the renovation, reconstruction, and rehabilitation of the existing school buildings currently or formerly known as Fowler High School, Westside Academy at Blodgett, and Huntington Pre-K-8 School, which improvements shall include, but not be limited to, the following: interior and exterior site improvements, new electrical, plumbing and mechanical systems, roofing, security upgrades, windows, new athletic fields, pool renovations, locker room renovations, and masonry repairs (together with the Buildings and Series 2018 Project, the "Project")

4. Project Location:

The Project involves the schools identified above, which are located at the following addresses in the City of Syracuse:

Bellevue Elementary – 550 Stolp Avenue;  
Frazer Pre-K-8 School – 741 Park Avenue;  
Ed Smith Pre-K-8 School - Lancaster Avenue and Broad Street;  
Grant Middle School – 2400 Grant Boulevard;  
Fowler High School – 227 Magnolia Street;  
Westside Academy at Blodgett – 312 Oswego Street; and  
Huntington Pre-K-8 School – 400 Sunnycrest Road.

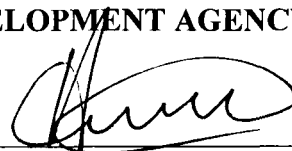
5. Reasons for Determination of Non-Significance:

See Exhibit "A" attached hereto.

**DATED:** January 16, 2018

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_



Honora Spillane, Executive Director

# Negative Declaration Exhibit A

## Criteria for Determining Significance

As proposed, the reasonably anticipated environmental effects of the aforementioned Syracuse Joint School Construction Board Project will not be significant. This conclusion results from the thorough evaluation of the Project's attributes and their environmental effects against the criteria provided in NYSDEC regulations at 6 NYCRR §617 et. seq. A summary of this evaluation follows.

### Determination of Environmental Significance

To determine whether the Project may have a significant effect on the environment, the impacts that may be reasonably expected to result from the proposed Project must be compared to criteria specified in NYSDEC regulations. (6 NYCRR §617.7). These criteria are considered indicators of significant effects on the environment.

### Criterion 1

**A substantial adverse change in existing a) air quality; b) ground or surface water quality or quantity; c) traffic levels; d) noise levels; e) a substantial increase in solid waste production; f) a substantial increase in potential for erosion, flooding, leaching or drainage problems.**

#### a) Air quality

The Project involves both interior and exterior work at seven (7) schools within the City. Much of the work to be undertaken will consist of the repair, maintenance, replacement, renovation and/or reconstruction of existing improvements (*i.e.*, classrooms, sidewalks, windows, bathrooms, locker rooms, roofs, pools, and related site improvements), including mechanical, electrical, plumbing, and security systems. Other aspects of the Project will involve entirely new construction (*i.e.*, Fowler athletic complex, Ed Smith gymnasium addition) (together, the "Work"). Recognizing that each of the buildings (with the exception of Bellevue and Ed Smith) will be occupied for the duration of the Project, specific measures will be taken by JSCB and its contractor(s) to ensure that air quality will remain satisfactory for building occupants and that any changes to air quality will be minor and temporary in nature. Should any potentially hazardous materials be identified on-site, such as lead-based materials, they will be removed from each building prior to the performance of the Work and disposed of in accordance with all local, state and federal laws, thereby reducing the potential for such materials to become airborne and migrate off-site. Further, JSCB and its contractor(s) will take all necessary measures to mitigate any short-term demolition and construction-related impacts (*e.g.*, using

proper ventilation equipment, limiting the use of dumpsters and dump trucks for construction debris, watering construction debris to reduce dust and prevent airborne migration, etc.).

b) Ground or surface water quality or quantity

The Project is located in an urban area and the Work is primarily focused on the replacement, renovation, and reconstruction of existing improvements. No ground or surface water features are in close proximity to the school buildings. Appropriate measures will be taken during renovation and reconstruction activities to ensure that debris from the Project remains on-site and is disposed of in accordance with established regulations. As such, the Project is not expected to result in an adverse change in ground or surface water quality or quantity.

c) Traffic levels

The Project will not result in a significant change in traffic levels or generate a new demand for transportation facilities or services. The Project is intended to improve and update each school campus to enhance the student experience. The proposed athletic fields at Fowler will serve as a replacement for fields that previously existed but were removed to accommodate building upgrades that were performed several years ago. The Ed Smith gymnasium expansion is needed to accommodate the school's existing student population. The Project does not involve expansion activities designed for the purpose of increasing enrollment at each school. As a result, traffic levels will be largely unchanged (aside from short term, minor increases associated with construction traffic).

d) Noise levels

The Project may involve the potential for minor, temporary changes in noise quality due to typical construction-related activities. However, any such impacts to noise quality will be mitigated to the extent possible by using appropriate mufflers on heavy equipment and restricting demolition and construction hours (e.g., 7:00 a.m. to 5:00 p.m. from Monday through Friday). Accordingly, the Agency determines that any noise-related impacts associated with the Project will be insignificant.

e) Substantial increase in solid waste production

The Project will result in the generation of solid waste, both in the short-term during construction and once the Project is completed (i.e., general refuse consistent with educational and concession facilities). Such waste will be disposed of by JSCB's licensed contractor(s) at an existing solid waste facility in accordance with applicable laws and regulations. As such, the Agency does not anticipate any adverse impacts associated with solid waste production.

f) Substantial increase in potential for erosion, flooding, leaching or drainage problems



The Project is located in an urban area on properties that have been previously improved. The exterior site improvement work to be performed will largely be minor in nature and will not result in any adverse impacts associated with erosion, flooding, leaching or drainage. The proposed athletic fields at Fowler and the Ed Smith gymnasium expansion will involve ground disturbance and grading activities. In particular, Fowler will require the excavation of approximately 43,000 cubic yards of soil that is not suitable for the structures proposed in connection with the athletic fields., as well as the preparation of a Stormwater Pollution Prevention Plan (“SWPPP”). JSCB’s contractor(s) will implement appropriate erosion control measures (e.g., silt fence, hay bales, seeding, etc.), as necessary, during construction to ensure that properties adjacent to the Ed Smith and Fowler campuses will not be adversely impacted by construction activities. As such, the Project is not expected to result in an increase in the potential for erosion, flooding, leaching, or drainage problems.

## **Criterion 2**

**The removal or destruction of large quantities of vegetation or fauna; substantial interference with the movement of any resident or migratory fish or wildlife species; impacts on a significant habitat area; substantial adverse effects on a threatened or endangered species of animal or plant, or the habitat of such a species; or other significant adverse effects to natural resources.**

The Project will be limited largely to the renovation and reconstruction of existing site improvements at the various school campuses. While the NYSDEC’s Environmental Resource Mapper identified the potential for rare plants or animals to be located within the Ed Smith and Huntington campuses, no known records of the existence of any such resources exist for the remaining schools. Given that those remaining school sites are previously disturbed, no impacts to any of the resources listed above will occur. With respect to Ed Smith and Huntington, the habitat at each campus does not appear to be suitable for rare or threatened species of plants or animals. To confirm whether records of any such species exist at those schools, JSCB’s consultant submitted a data request to the New York National Heritage Program (“NYNHP”) that resulted in a letter from NYNHP dated December 19, 2016 which indicated the existence of records for certain bat and sedge species occurring within the vicinity of Ed Smith school. A similar letter has not yet been received for Huntington. Specific measures will be taken in the field to ensure that any such species will be protected from harm if identified prior to the Work being performed.

## **Criterion 3**

**The encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the action.**

The Project will attract construction workers to the various school campuses throughout the construction process, but the Project will not, and is not intended to, attract people to each

campus. The Project does not involve expansion activities designed for the purpose of increasing enrollment at each school., and the Project will not increase the City's population.

#### **Criterion 4**

**The creation of a material conflict with a community's current plans or goals as officially approved or adopted.**

The Project is consistent with the Agency's goal of effectuating financial assistance for specific projects located within the City of Syracuse, as well as the desire of the City and SCSD to upgrade and revitalize its existing school campuses to improve the student experience.

#### **Criterion 5**

**The impairment of the character or quality of important historical, archaeological, architectural or aesthetic resources or of existing community or neighborhood character.**

The NYSDEC's Environmental Resource Mapper indicates that Fowler, Frazier, and Huntington are located in or adjacent to an area designated as sensitive for archaeological sites. In addition, Ed Smith is located near the Berkeley Park Subdivision Historic District. The remaining schools are not located in or substantially contiguous to any historic or archaeological resources, and there are no known aesthetic resources within any of the Project areas. JSCB consulted with the New York State Office for Historic Preservation ("SHPO") regarding the four schools above and received correspondence from SHPO in 2016 and 2017 indicating that the improvements proposed for each site will have no adverse impact on historic or archaeological resources.

In addition, the Project will improve the condition, appearance and functionality of the schools and will therefore not impair the quality or character of the surrounding neighborhoods.

#### **Criterion 6**

**A major change in the use of either the quantity or type of energy.**

The Project is not anticipated to result in a major change in the quantity or type of energy used so as to require extraordinary services or actions on the part of energy providers. In fact, the proposed improvements will likely be more energy efficient and will offset any marginal increases in energy demand associated with the proposed new construction and building expansion.

#### **Criterion 7**

**The creation of a hazard to human health.**

The Project will not create any human health hazards. As noted above, the Fowler athletic fields construction will require the excavation of 43,000 cubic yards of soil. Prior testing of the site soils at Fowler identified the presence of various hazardous materials. During construction, the site will be subjected to environmental monitoring that will include additional soil testing and the preparation of a final report concerning such testing and any recommended actions. Excavated soils will be treated and disposed of in accordance with applicable local, state and federal regulations. In addition, all Project demolition and construction materials will be disposed of off-site in accordance with local, state, and federal regulations. JSCB will contract with properly licensed private haulers for the transport and disposal of these materials from the Project areas. Where necessary, hazardous materials or substances will be characterized prior to disposal and proper records (*e.g.*, bill of lading or waste manifests) will be maintained, and JSCB will consult with representatives of the City regarding any such materials to ensure their proper removal and disposal. In addition, JSCB will provide and/or complete, as needed, a pre-demolition asbestos-containing material/lead-based paint survey(s) prior to any renovation or construction activities. JSCB will engage properly licensed contractors to remove any such materials from the Project areas.

### **Criterion 8**

**A substantial change in the use, or intensity of use, of land including agricultural, open space or recreational resources, or in its capacity to support existing uses.**

The Project will not result in a change in the existing use, or intensity of the use, of the school campuses. Further, the Project is consistent with the desire of the City and the SCSD to upgrade its existing school buildings to improve the student experience.

### **Criterion 9**

**The creation of material demand for other actions which would result in one of the above consequences.**

As the Project involves the renovation of existing school campuses (along with the new construction and building expansion at Fowler and Ed Smith, respectively), the Project will not create any demand for other actions (*e.g.*, additional public services) that would result in significant adverse consequences described by the above criteria.

### **Criterion 10**

**Changes in two or more elements of the environment, no one of which has a significant effect on the environment, but when considered together result in a substantial adverse impact on the environment.**

The Project will not effect multiple changes to the environment which, when considered together, would be considered significant.

**Criterion 11**

**Two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant effect on the environment, but when considered cumulatively would meet one or more of the criteria in this section.**

This criterion deals with the issue of cumulative impacts of multiple actions under SEQRA. No cumulative impacts have been identified and none are expected.

**EXHIBIT "H"**  
**INDUCEMENT RESOLUTION**

## INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 16, 2018 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

**PRESENT:** Michael Frame, Steven Thompson, Rickey Brown, Kenneth Kinsey, Kathy Murphy

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Debbie Ramsey-Burns; Others Present: Stephanie Pasquale, Barry Lentz, Mitch Latimer, Mel Menon, Donna Harris, Alex Grant, Greg Loh

The following resolution was offered by Steven Thompson and seconded by Kenneth Kinsey:

**RESOLUTION APPROVING THE UNDERTAKING BY THE ISSUER OF A CERTAIN PROJECT CONSISTING OF THE ACQUISITION BY THE ISSUER OF AN INTEREST IN, AND CONSTRUCTION, RECONSTRUCTION, RENOVATING AND EQUIPPING OF EXISTING SCHOOL BUILDINGS AT THE REQUEST OF THE SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD AND THE ISSUANCE OF ONE OR MORE SERIES OF THE ISSUER'S TAX-EXEMPT AND/OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SERIES 2018A) IN AN AGGREGATE AMOUNT SUFFICIENT TO FINANCE THE COST THEREOF, THE COSTS OF SUCH ISSUANCE AND FUNDING CAPITALIZED INTEREST AND A DEBT SERVICE RESERVE FUND, IF ANY**

**WHEREAS,** the City of Syracuse Industrial Development Agency (the "**Agency**" of the "**Issuer**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended (the "**Enabling Act**"), together with Section 926 of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial,

manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction and equipping of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and equip said projects or to cause said projects to be acquired, constructed, reconstructed and equipped and to convey said projects; and

**WHEREAS**, Section 16(a) of Chapter 58 A-4 of the Laws of 2006, as amended from time to time, (the “*Syracuse Schools Act*”) of the State of New York (the “*State*”) provides that notwithstanding any limitations contained in the Act, a “project” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act shall be a “project” within the definition and for the purposes of the Act which may be financed by the Agency; and

**WHEREAS**, the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant to the Syracuse Schools Act and an agreement dated April 1, 2004 (the “*Intermunicipal Agreement*”) by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

**WHEREAS**, the JSCB developed and adopted a program, pursuant to the Syracuse Schools Act and the Intermunicipal Agreement which encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD (the “*Program*”) which includes both Phase I and Phase II (as each defined herein) of the Program; and

**WHEREAS**, the Syracuse Schools Act authorized the first phase of the Program for various schools at a cost not to exceed \$225,000,000 (“*Phase I*”) which included Central Tech, Fowler, HW Smith and Dr. Weeks, Clary and Bellevue Academy at Shea. The JSCB has closed all Phase I projects; and

**WHEREAS**, Legislation authorizing the second phase of the of the Program (“*Phase II*”) at a cost not to exceed \$300 million was enacted on October 25, 2013 and subsequent legislation enacted on March 17, 2014 specified 15 buildings to be included in Phase II, including but not limited to the Facilities (as defined herein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the “*Plan*”) with respect to Phase II to the Office of the Comptroller of the State of New York (the “*OSC*”); and

**WHEREAS**, the OSC has not yet notified the JSCB of its approval of the Plan but such approval is expected any day (“*OSC Approval*”); and

**WHEREAS**, pursuant to the Syracuse Schools Act and as contemplated in the Program, the JSCB, on behalf of the City and the School District, by application dated November 15, 2017 (the “*Application*”) requested that the Agency issue and sell on or more series of its tax-exempt and/or taxable School Facility Revenue Bonds (“*Series 2018A Bonds*”) in an aggregate principal amount not to exceed to \$82,000,000 to finance all or a portion of the costs of the first stage of Phase II of the Project (known as the “*Series 2018A Project*”) consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “*Buildings*”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “*Equipment*” and together with the Buildings, the “*Facilities*”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A Project in an aggregate principal amount of up to \$82,000,000; and

**WHEREAS**, the JSCB, on behalf of the City and the School District, has requested the Agency consider reducing its administrative fee from 1% to .5% of the par amount of the Series 2018A Bonds for the benefit of the Series 2018A Project; and

**WHEREAS**, by Resolution No. #0217-091 adopted February 8, 2017 and Resolution No. #0917-047 adopted September 27, 2017, and by Ordinance No. 831-2017 adopted on October 10, 2017 and approved by the Mayor on October 16, 2017, the School District and the City, respectively, approved the plans and specifications for the Series 2018A Project; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), by resolution adopted November 21, 2017, the Agency appointed itself “lead agency” and classified the Series 2018A Project as a “Type 1 Action”, and by Resolution adopted January 16, 2018 the Agency determined that the Series 2018A Project will not have a “significant effect on the environment” (as such quoted terms are defined in SEQRA); and



**WHEREAS**, notice of a public hearing with respect to the Series 2018A Project was printed in the *Post Standard*, a newspaper of general circulation in the City of Syracuse on November 5, 2017, in accordance with Section 859-a of the Act; and

**WHEREAS**, by letter dated November 2, 2017, notice of the public hearing with respect to the Series 2018A Project was mailed to the chief executive officer of each affected tax jurisdiction in accordance with Section 859-a of the Act; and

**WHEREAS**, pursuant to Section 859-a of the Act, the Agency conducted a public hearing on November 21, 2017 with respect to the Series 2018A Project and the issuance of the Series 2018A Bonds; and

**WHEREAS**, the Agency has given due consideration to the Application and the Series 2018A Project and the representations by the JSCB that undertaking the Series 2018A Project and issuing the Series 2018A Bonds: (a) will be an inducement to the JSCB, the City and the School District to construct, reconstruct, renovate, equip and continue to operate the Facilities in the City of Syracuse and (b) will not result in the removal of any commercial, industrial, fabricating or manufacturing plant or facility of the City, the School District or any other proposed occupant of the Facilities from one area of the State to another area of the State or in the abandonment of one or more plants or facilities thereof located in the State; and

**WHEREAS**, the resolution authorizing the issuance of the Series 2018A Bonds has not yet been approved by the Agency.

**NOW, THEREFORE**, be it resolved by the City of Syracuse Industrial Development Agency as follows:

**Section 1.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration.

**Section 2.** It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 3.** Based upon representations made by the JSCB to the Agency, the Agency makes the following findings and determinations:

- a) The Facilities constitute a “project” within the meaning of the Act and the Syracuse Schools Act.

- b) The issuance of the Series 2018A Bonds and the granting of the other Financial Assistance will be an inducement to the JSCB, the City and the School District to acquire, construct, reconstruct, renovate, equip and continue to operate the Facilities in the City of Syracuse.
- c) The issuance of the Series 2018A Bonds is necessary to induce the JSCB to construct, reconstruct and equip the Facilities, is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City.
- d) The Series 2018A Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the JSCB, the City or the School District or of any other proposed occupant of the Facilities from one area of the State to another area of the State or in the abandonment of one or more plants or facilities thereof located in the State.
- e) It is desirable and in the public interest for the Agency to issue its Series 2018A Bonds to finance the cost of the Facilities, together with certain related costs, in an aggregate amount not to exceed \$82,000,000.
- f) To reduce its administrative fee from 1% of the par amount of the Series 2018A Bonds to .5%.

**Section 4.** Subject to the conditions set forth in the last sentence of this Section 4, the Agency will (a) issue the Series 2018A Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions to be determined by a further resolution of the Agency; (b) acquire, construct, reconstruct and equip the Facilities; (c) lease with an obligation to purchase or sell the Facilities to the City and the School District pursuant to an agreement to be entered into between the Agency, the City, the School District and the JSCB whereby the City and the School District will be obligated, among other things, to make payments to the Agency in amounts and at a time so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2018A Bonds; and (d) secure the Series 2018A Bonds in such manner as the Agency, the JSCB, the City and the School District and the purchaser(s) of the Series 2018A Bonds mutually deem appropriate. The issuance of the Series 2018A Bonds contemplated by this Resolution is subject to (i) obtaining all necessary governmental approvals and determinations; (ii) approval by the members of the Agency of the form and substance of the Series 2018A Bonds, the agreements and other documents necessary or desirable in connection with the authorization, issuance, sale and delivery of the Series 2018A Bonds; (iii) agreement by the Agency, the JSCB and the purchaser(s) of the Series 2018A Bonds upon mutually satisfactory terms for the bonds (and any

such additional bonds) and for the sale and delivery thereof; (iv) the condition that there are no changes in the Internal Revenue Code of 1986, as amended (the “*Code*”) and New York State Law, including regulations thereunder, which prohibit or limit the Agency from fulfilling its obligations hereunder; and (v) payment by the JSCB of the Agency’s administrative fee in the amount of one-half of one percent (0.5%) of the principal amount of the Series 2018A Bonds, the Bond Issuance Charge, all costs and expenses of the Agency with respect to the Bond transaction, including counsel and bond counsel fees, and receipt of OSC Approval.

**Section 5.** Subject to the acceptance by the JSCB of this Resolution, the JSCB is appointed the true and lawful agent of the Agency: (1) to acquire, construct, reconstruct and equip the Facilities; and (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for acquiring, constructing, reconstructing and equipping the Facilities, all with the same powers and same validity as if the Agency were acting on its own behalf.

**Section 6.** The law firm of Barclay Damon LLP is hereby appointed bond counsel (“*Bond Counsel*”) to the Agency in relation to the proposed issuance of the Series 2018A Bonds contemplated by the Application.

**Section 7.** Counsel to the Agency and Bond Counsel for the Agency are hereby authorized to work with the JSCB, the purchaser(s) of the Series 2018A Bonds and others to prepare, for submission to the Agency, all documents necessary to effect the authorization, issuance, sale and delivery of the Series 2018A Bonds.

**Section 8.** The Chairman, Vice Chairman and the Executive Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the JSCB and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 9.** No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity and neither the members of the Agency nor any officer executing the Series 2018A Bonds shall be liable personally on the Series 2018A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Neither the members nor officers of the Agency, nor any person executing the Series Bonds or other documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Series 2018A Bonds and the interest therein shall not be a debt of the State or the City or any political subdivision thereof (other than the Agency), and none of the State, the City nor any political subdivision thereof (other than the Agency) shall be liable thereon. The Series 2018A Bonds shall be issued solely for the purposes set forth in this Resolution. The Series 2018A Bonds and the interest thereon shall constitute a special, limited obligation of the Agency payable solely from the revenues derived or to be derived from

the lease, sale or other disposition of the Facilities and from the enforcement of the security pledged to the payment of the Series 2018A Bonds.

**Section 10.** Any expense incurred by the Agency with respect to the Series 2018A Project and the financing thereof shall be reimbursed out of the proceeds of the Series 2018A Bonds or, in the event such proceeds are insufficient after payment of other costs of the Series 2018A Project, or the Series 2018A Bonds are not issued by the Agency for any reason whatsoever, shall be paid by the JSCB.

**Section 11.** The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of an Environmental Compliance and Indemnification Agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel by the School District, and satisfaction of all conditions set forth herein.

**Section 12.** Should the Agency's participation in the Series 2018A Project be challenged by any party, in the courts or otherwise, the JSCB shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Series 2018A Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the JSCB hereunder or otherwise.

**Section 13.** This Resolution shall take effect immediately, and shall expire one (1) year from the date hereof.

The question of the adoption of the foregoing Resolution was duly put to vote on a roll call, which resulted as follows:

|                 | <u>AYE</u> | <u>NAY</u> |
|-----------------|------------|------------|
| Michael Frame   | X          |            |
| Steven Thompson | X          |            |
| Rickey Brown    | X          |            |
| Kenneth Kinsey  | X          |            |
| Kathy Murphy    | X          |            |

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )

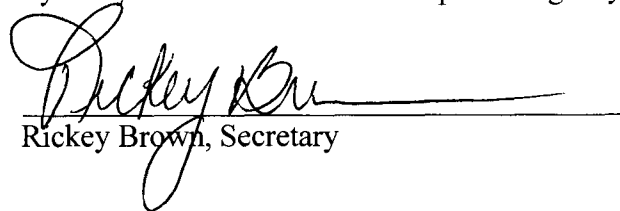
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 16, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this 5<sup>th</sup> day of February, 2018.

City of Syracuse Industrial Development Agency

  
\_\_\_\_\_  
Rickey Brown, Secretary

(S E A L)

**EXHIBIT "I"**  
**BOND SALE RESOLUTION**

## BOND SALE RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 16, 2018 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

**PRESENT:** Michael Frame, Steven Thompson, Rickey Brown, Kenneth Kinsey, Kathy Murphy

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Debbie Ramsey-Burns; Others Present: Stephanie Pasquale, Barry Lentz, Mitch Latimer, Mel Menon, Donna Harris, Alex Grant, Greg Loh

The following resolution was offered by Kenneth Kinsey and seconded by Steven Thompson:

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE ISSUER'S TAX-EXEMPT AND/OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$82,000,000 AND THE EXECUTION OF RELATED DOCUMENTS**

**WHEREAS**, the City of Syracuse Industrial Development Agency (the "**Agency**" or the "**Issuer**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended (the "**Enabling Act**"), together with Section 926 of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and



**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction and equipping of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and equip said projects or to cause said projects to be acquired, constructed, reconstructed and equipped and to convey said projects; and

**WHEREAS**, Section 16(a) of Chapter 58 A-4 of the Laws of 2006, as amended from time to time (the “*Syracuse Schools Act*”) of the State of New York (the “*State*”) provides that notwithstanding any limitations contained in the Act, a “project” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act shall be a “project” within the definition and for the purposes of the Act which may be financed by the Agency; and

**WHEREAS**, the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant to the Syracuse Schools Act and an agreement dated April 1, 2004 (the “*Intermunicipal Agreement*”) by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

**WHEREAS**, the JSCB developed and adopted a program, pursuant to the Syracuse Schools Act and the Intermunicipal Agreement which encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD (the “*Program*”) which includes both Phase I and Phase II (as each defined herein) of the Program; and

**WHEREAS**, the Syracuse Schools Act authorized the first phase of the Program for various schools at a cost not to exceed \$225,000,000 (“*Phase I*”) which included Central Tech, Fowler, HW Smith and Dr. Weeks, Clary and Bellevue Academy at Shea. The JSCB has closed all Phase I projects; and

**WHEREAS**, Legislation authorizing the second phase of the of the Program (“*Phase II*”) at a cost not to exceed \$300 million was enacted on October 25, 2013 and subsequent legislation enacted on March 17, 2014 specified 15 buildings to be included in Phase II, including but not limited to the Facilities (as defined herein); and

**WHEREAS**, pursuant to the Syracuse Schools Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the “*Plan*”) with respect to Phase II to the Office of the Comptroller of the State of New York (the “*OSC*”); and

**WHEREAS**, the OSC has not yet notified the JSCB of its approval of the Plan but such approval is expected any day (“*OSC Approval*”); and

**WHEREAS**, the Program provides for the JSCB, on behalf of the City and the School District, to undertake Projects (as defined in the Act) in phases); and

**WHEREAS**, pursuant to the Syracuse Schools Act and as contemplated in the Program, the JSCB, on behalf of the City and the School District, by application dated November 15, 2017 (the "**Application**") requested that the Agency issue and sell one or more series of its tax-exempt and/or taxable School Facility Revenue Bonds ("**Series 2018A Bonds**") in an aggregate principal amount not to exceed to \$82,000,000 to finance all or a portion of the costs of the first stage of Phase II of the Project (known as the "**Series 2018A Project**") consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**" and together with the Buildings, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A Project in an aggregate principal amount of up to \$82,000,000; and

**WHEREAS**, by Resolution No. #0217-091 adopted February 8, 2017 and Resolution No. #0917-047 adopted September 27, 2017, and by Ordinance No. 831-2017 adopted on October 10, 2017 and approved by the Mayor on October 16, 2017, the School District and the City, respectively, approved the plans and specifications for the Series 2018A Project; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), by resolution adopted November 21, 2017, the Agency appointed itself "lead agency" and classified the Series 2018A Project as a "Type 1 Action", and by Resolution adopted January 16, 2018 the Agency determined that the Series 2018A Project will not have a "significant effect on the environment" (as such quoted terms are defined in SEQRA); and

**WHEREAS**, notice of a public hearing with respect to the Series 2018A Project was printed in the *Post Standard*, a newspaper of general circulation in the City of Syracuse on November 5, 2017, in accordance with Section 859-a of the Act; and

**WHEREAS**, by letter dated November 2, 2017, notice of the public hearing with respect to the Series 2018A Project was mailed to the chief executive officer of each affected tax jurisdiction in accordance with Section 859-a of the Act; and

**WHEREAS**, pursuant to Section 859-a of the Act, the Agency conducted a public hearing on November 21, 2017 with respect to the Series 2018A Project and the issuance of the Series 2018A Bonds; and

**WHEREAS**, as required by Section 2824(8) of the Public Authorities Law of the State, on November 16, 2017, the Issuer's Finance & Audit Committee reviewed the proposal for the issuance of debt by the Issuer related to the issuance of the Bonds, determined that it is in the best interest of economic development in the City for the Issuer to issue the Series 2108A Bonds and on November 21, 2017 recommended that the Issuer proceed with the issuance thereof; and

**WHEREAS**, by Resolution No. #0217-091 adopted February 8, 2017 and Resolution No. #0917-047 adopted September 27, 2017, the School District approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2018A Bonds to finance the third stage of the Program; and

**WHEREAS**, Ordinance No. 831-2017 adopted on October 10, 2017 and approved by the Mayor on October 16, 2017, the City approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2018A Bonds to finance this portion of Phase II of the Program; and

**WHEREAS**, pursuant to Section 11 of the Syracuse Schools Act, the JSCB, on behalf of the City and the School District, has entered into a Program Manager Agreement dated as of August 28, 2015 as amended from time to time (the "**Program Manager Agreement**"), with Turner Construction Company with respect to this portion of Phase II of the Program; and

**WHEREAS**, the City and the School District are the owners of the existing school buildings and sites comprising the Series 2018A Project (the "**Buildings**"); and

**WHEREAS**, pursuant to Section 16 of the Syracuse Schools Act, in order to effect the financing for the Series 2018A Project, the City and the School District will grant, or continue via an amendment, a license agreement (the "**License**") to or with the Agency to enter upon the Buildings for the purposes of undertaking and completing the Series 2018A Project and a bill of sale (the "**Bill of Sale**") conveying to the Agency title to the equipment, furnishings and fixtures, necessary and attendant to and for the Series 2018A Project to be financed with proceeds of the Series 2018A Bonds; and

**WHEREAS**, the Agency, the City, the School District and the JSCB will enter into Amendment No. 5 to Installment Sale Agreement (Series 2018A Project) (the "**Fifth Amended Agreement**"), amendatory of a certain Installment Sale Agreement (Series 2008A Project), dated as of March 1, 2008 (the "**Original Agreement**") as previously amended by Amendment No. 1 to Agreement dated as of March 1, 2009 (the "**First Amended Agreement**"), as further amended by Amendment No. 2 to Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"), as further amended by Amendment No. 3 to Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"), and further amended by Amendment No. 4 to Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**" and together with the Original

Installment Sale Agreement, the First Amended Agreement, the Second Amended Agreement, Third Amended Agreement and the Fifth Amended Agreement, collectively, the “*Installment Sale Agreement*” as same may further be amended or supplemented), each by and among the Agency, the City, the JSCB and the SCSD, pursuant to which Agency will sell its interest in the Series 2018A Project to the City and School District, the JSCB, on behalf of the City and School District, will agree to undertake and complete the Series 2018A Project and the City and the School District will, among other things, agree to make installment purchase payments in an amount sufficient to pay debt service on the Series 2018A Bonds and other amounts due under the Installment Sale Agreement solely from and to the extent of State Aid Revenues; and

**WHEREAS**, the Agency, by the terms of an Indenture of Trust (Series 2018A Project) with Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), will pledge and assign to the Trustee, and grant the Trustee a security interest in, all of its right, title and interest in and to the Installment Sale Agreement (as defined herein) (except for the Agency’s Reserved Rights (as defined in the Indenture)), State Aid Revenues (as defined in the State Aid Depository Agreement referred to below) and other moneys and property described in the Indenture as security for the Series 2018A Bonds; and

**WHEREAS**, City and the School District have entered into a State Aid Depository Agreement, dated as of March 1, 2008 (“*Depository Agreement*”), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the “*First Amendment to State Aid Depository Agreement*” and together with the Depository Agreement, collectively, the “*State Aid Depository Agreement*”) with Manufacturers and Traders Trust Company, acting as Depository Bank (the “*Depository*”), to provide for, among other things, the payment of all State Aid Revenues (as defined therein) into the State Aid Depository Fund (also as defined therein) maintained with the Depository for periodic transfer to the Bond Fund (as defined in the Indenture) toward payment of the Series 2018A Bonds; and, to the extent of any deficiency therein, to the Debt Service Reserve Fund (as defined in the Indenture), if any, and the balance to the General Fund (as defined in the State Aid Depository Agreement); and

**WHEREAS**, pursuant to the Syracuse Schools Act, the City and the School District have given, or will give, an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

**WHEREAS**, pursuant to the Syracuse Schools Act, in the event that the City and the School District shall fail to make a payment due under the Installment Sale Agreement, the Agency (or the Trustee acting on its behalf) shall so certify the amount not paid to the OSC who shall thereupon withhold such amount from any State Aid Revenues and other state and/or school aid payable to the City or the School District and immediately pay over same to the Agency (or the Trustee); and

**WHEREAS**, pursuant to the Syracuse Schools Act, the City and the School District will give an irrevocable written direction to the OSC to pay all State Aid Revenues to the Depository for deposit into the State Aid Depository Fund; and

**WHEREAS**, Jefferies & Company, Inc., as representative of the Underwriters (the “**Underwriters**”), has offered to purchase the Series 2018A Bonds and will prepare a preliminary official statement (“**Preliminary Official Statement**”) and will prepare a final official statement with respect to the Series 2018A Bonds (the “**Official Statement**”) for use in the offering of the Series 2018A Bonds by the Underwriters; and

**WHEREAS**, the terms and conditions of the proposed purchase of the Series 2018A Bonds by the Underwriters will be set forth in a Purchase Contract (the “**Bond Purchase Agreement**”) to be entered into by Agency, the JSCB and the Underwriters; and

**WHEREAS**, based on preliminary information provided by the Underwriters and the fee to be charged by the Agency, the JSCB made a preliminary comparison of the financing available from the Agency with the financing expected to be available from the New York State Municipal Bond Bank Agency (“**MBBA**”) for the Series 2018A Project and made a preliminary determination that financing the Series 2018A Project through the Series 2018A Bonds may reasonably be expected to result in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, the issuance of the Series 2018A Bonds is subject to the School District, the City, the JSCB and the Agency determining based on pricing and other information furnished by the Underwriters that financing the Series 2018A Project through the Series 2018A Bonds rather than through financing from MBBA results in the lowest cost to the taxpayers of the City and the State; and

**WHEREAS**, pursuant to Section 859-a of the Act, the Agency conducted a public hearing on November 21, 2017 with respect to the Series 2018A Project and the issuance of the Bonds; and

**WHEREAS**, the Agency has given due consideration to the application dated November 15, 2017 (the “**Application**”) and the representations by the JSCB that undertaking the Series 2018A Project and issuing the Bonds: (a) will be an inducement to the JSCB, the City and the School District to acquire, construct, reconstruct, equip and continue to operate the Facilities in the City of Syracuse; and (b) will not result in the removal of any commercial, industrial, fabricating or manufacturing plant or facility of the City or the School District or any other proposed occupant of the Facilities from one area of the State to another area of the State or in the abandonment of one or more plants or facilities thereof located in the State; and

**WHEREAS**, the Agency, by resolution adopted of even date herewith (the “**Inducement Resolution**”), resolved to undertake the Series 2018A Project and appoint the JSCB as the agent of the Agency for purposes of constructing, renovating, reconstructing, equipping and completing the Series 2018A Project; and

**WHEREAS**, the JSCB has proposed that the Agency issue its Series 2018A Bonds in the aggregate principal amount not to exceed \$82,000,000 as herein provided; and

**WHEREAS**, the execution and delivery of the Indenture and the issuance of the Series 2018A Bonds in an amount not to exceed \$82,000,000 under the Act as herein provided have been in all respects approved and duly and validly authorized by this Resolution; and

**WHEREAS**, the undertaking of the Series 2018A Project, the issuance of the Series 2018A Bonds and the providing of the Facilities is for a proper purpose, to wit, to promote the job opportunities, the health and the general prosperity and economic welfare of the inhabitants of the State pursuant to the provisions of the Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

**Section 1.** The Agency hereby ratifies the findings and determinations in the Inducement Resolution and further finds and determines that it is desirable and in the public interest for the Agency to issue its Series 2018A Bonds in an aggregate principal amount not to exceed \$60,000,000, subject to receipt by the JSCB of the OSC Approval.

**Section 2.** In consequence of the foregoing, the Agency hereby determines, subject to receipt by the JSCB of the OSC Approval and the terms of this Resolution, to:

(a) accept a license interest in the Facility from the City and the School District pursuant to the License, on substantially the terms and conditions of similar agreements approved by the Agency for prior financings, with such amendments or modifications as the Chairman, Vice Chairman or Executive Director of the Agency (referred to hereinafter individually and collectively as an “*Authorized Officer*”) deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Agency;

(b) appoint the JSCB as the agent of the Agency to complete the Series 2018A Project and sell its interest in the Facilities to the City and the School District pursuant to the Installment Sale Agreement, on substantially the terms and conditions of similar agreements approved by the Agency for prior JSCB financings, with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Agency;

(c) approve the Installment Sale Agreement on substantially the terms and conditions of similar agreements approved by the Agency for prior JSCB financings, with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Agency;

(d) approve the Indenture, on substantially the terms and conditions of similar agreements approved by the Agency for prior JSCB financings, with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Agency;

(e) appoint Manufacturers and Traders Trust Company as trustee, paying agent and bond registrar under the Indenture;

(f) assign to the Trustee and the certain of the Agency's rights and remedies under the Installment Sale Agreement and certain monies due and to become due under the Installment Sale Agreement, all pursuant to the Indenture and a pledge and assignment (the "**Assignment**") between the Agency and the Trustee and accepted and acknowledged by the JSCB, the City and the School District, on the terms and conditions approved by the Authorized Officer of the Agency;

(g) approve the Bond Purchase Agreement on substantially the terms and conditions of similar agreements approved by the Agency for prior JSCB financings, with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Agency;

(h) approve a Tax Certificate by the Agency (the "**Tax Certificate**"), in connection with the issuance of the Series 2018A Bonds, on such terms and in the form as the Authorized Officer shall approve based on information from Bond Counsel that such terms and conditions are necessary for the tax-exempt status of interest on the Series 2018A Bonds;

(i) issue and deliver the Series 2018A Bonds to or upon the order of the Underwriter on a date to be determined, subject however to the approval of the final terms for the Series 2018A Bonds and the terms and conditions of the Bond Purchase Agreement consistent with this Resolution, and the prior written approval of all terms contained therein, and of the terms of the Series 2018A Bonds, by the Authorized Officer of the Agency and by the JSCB, the City and the School District;

(j) use the proceeds of the Series 2018A Bonds to accomplish the Series 2018A Project, to pay necessary incidental expenses and to fund capitalized interest and the Debt Service Reserve Fund, if any, in accordance with the Indenture; and

(k) approve all other certificates and documents required in connection with issuance and sale of the Series 2018A Bonds and any other documents as may be required by the purchaser or otherwise required to accomplish the Series 2018A Project, issue the Series 2018A Bonds and qualify the Series 2018A Bonds for tax-exempt status under Section 103 of the Internal Revenue Code of 1986, as amended (collectively, and with the License, Installment Sale Agreement, the Indenture, the Bond Purchase Agreement, the Series 2018A Bonds, the Tax Certificate, the Pledge and the Assignment and all other necessary documents to effectuate the intent of this Resolution and the aforementioned documents, the "**Financing Documents**").

**Section 3.** The Agency is hereby authorized to acquire, reconstruct, construct, renovate, equip and complete the Facilities and to finance such acquisition, reconstruction, construction, renovation and equipping and the other elements of the Series 2018A Project by the issuance of the Series 2018A Bonds, and all acts previously taken by the Agency with respect to undertaking of the Series 2018A Project, the appointment of the JSCB as the agent of the

Agency for the purposes of undertaking and completing of the Series 2018A Project and the issuance of the Series 2018A Bonds are hereby approved, ratified and confirmed.

**Section 4.** The Agency is hereby authorized to issue, execute, sell and deliver the Series 2018A Bonds to the purchaser in accordance with the provisions of the Indenture, the Bond Purchase Agreement and the terms authorized in this Resolution. Each of the Authorized Officers of the Agency is hereby authorized, on behalf of the Agency, to execute (by manual or facsimile signature) and deliver the Financing Documents, on such terms and conditions as shall be consistent with this Resolution and approved by an Authorized Officer, the execution thereof by such Authorized Officer constituting conclusive evidence of such approval.

**Section 5.** There is hereby expressly delegated to each Authorized Officer, subject to the limitations contained herein, the power with respect to the Series 2018A Bonds and the Financing Documents to determine and carry out the following:

(a) The delivery of the Series 2018A Bonds in accordance with the provisions of the Indenture, provided that the purchase price paid by the purchasers thereof shall not be less than ninety five percent (95%) of the principal amount of the Series 2018A Bonds so sold;

(b) The principal amount of Series 2018A Bonds to be issued, not to exceed an initial aggregate principal amount of \$82,000,000;

(c) The date or dates, maturity date or dates and principal amount of each maturity of the Series 2018A Bonds, the amount and date of each sinking fund installment, if any, and which Series 2018A Bonds are serial bonds or term bonds, if any;

(d) The interest rate or rates of the Series 2018A Bonds, the date from which interest on the Series 2018A Bonds shall accrue and the first interest payment date therefor, provided that the initial interest rate on the Series 2018A Bonds shall not exceed ten percent (10%) per annum;

(e) The denomination or denominations of and the manner of numbering and lettering the Series 2010 Bonds;

(f) The redemption price or redemption prices, if any, and the redemption terms, if any, for the Series 2018A Bonds; provided, however, that the redemption price of any Series 2018A Bonds subject to redemption at the election of the Agency or the City or in accordance with the Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2018A Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(g) Directions for the application of the proceeds of the Series 2018A Bonds;  
and

(h) Any other provisions deemed desirable by the Authorized Officer not in conflict with the provisions hereof or of the Indenture.



**Section 6.** Pursuant to Section 16 of the Syracuse Schools Act, it is the duty of the School District, the City, the JSCB and the Agency to compare the financing available from the Agency with the financing available from the MBBA for the Series 2018A Project and employ the financing mechanism that will result in the lowest cost to the taxpayers of the City and the State and to share with the MBBA information that is required for MBBA to determine that the cost of financing therefor and calculate the interest rate thereon. Prior to the Closing Date, the Authorized Officer is hereby directed to compare the costs of financing available from MBBA with the costs of the Series 2018A Bonds based on the final terms of the Indenture and Bond Purchase Agreement and to share the required information with MBBA.

**Section 7.** Upon a determination by an Authorized Officer and by the Agency, the JSCB and the School District that financing the Series 2018A Project by the Series 2018A Bonds will result in the lowest cost to the taxpayers of the City and the State, an Authorized Officer is authorized to execute and deliver the Financing Documents.

**Section 8.** In addition to the authority hereinabove granted, the Authorized Officer of the Agency is hereby authorized and directed, for and in the name and on behalf of the Agency, to do and cause to be done any such other acts and things, to execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in this Resolution, as they determine may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above.

**Section 9.** No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity and neither the members of the Agency nor any officer executing the Series 2018A Bonds shall be liable personally on the Series 2018A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Neither the members nor officers of the Agency, nor any person executing the Series 2018A Bonds or any of the Financing Documents or other documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof.

**Section 10.** A copy of this Resolution, together with documents presented at this meeting and referred to herein, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 11.** This Resolution shall take effect immediately.

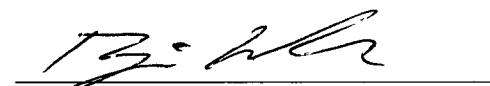
The question of the adoption of the foregoing Resolution was duly put to vote on a roll call, which resulted as follows:

|                 | <u>AYE</u> | <u>NAY</u> |
|-----------------|------------|------------|
| Michael Frame   | X          |            |
| Steven Thompson | X          |            |
| Rickey Brown    | X          |            |
| Kenneth Kinsey  | X          |            |
| Kathy Murphy    | X          |            |

The foregoing Resolution was thereupon declared duly adopted.

**DATED AS OF JANUARY 16, 2018**

**ACCEPTED AND AGREED TO BY  
THE SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD ON  
BEHALF OF ITSELF, THE CITY OF  
SYRACUSE AND THE CITY SCHOOL  
DISTRICT OF THE CITY OF  
SYRACUSE.**

By:   
Benjamin Walsh, Chairperson

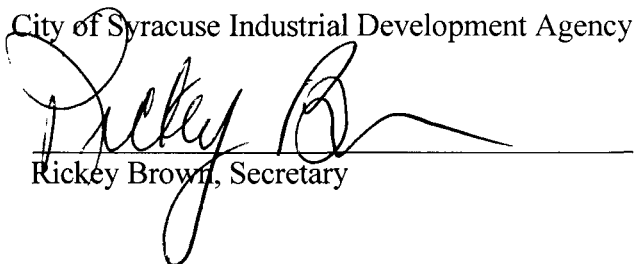
STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 16, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this 12<sup>th</sup> day of February, 2018.

City of Syracuse Industrial Development Agency  
  
\_\_\_\_\_  
Rickey Brown, Secretary

(S E A L)

**EXHIBIT "J"**  
**AUTHORIZING RESOLUTION**

## RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on February 20, 2018, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon roll being called, the following members of the Agency were:

**PRESENT:** Michael Frame, Kenneth Kinsey, Ricky T. Brown

**EXCUSED:** Kathleen Murphy, Steven Thompson

**THE FOLLOWING PERSONS WERE ALSO PRESENT:** Staff Present: Honora Spillane, Susan Katzoff, Esq., Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Others Present: Seth Mulligan, Rod Mayette, Mitch Latimer, Mel Menon, Jim Mason, Lauryn LaBorde, Aggie Lane, Charles McChesney, Peter King

The following resolution was offered by Kenneth Kinsey and seconded by Rickey T. Brown:

### **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER CERTAIN DOCUMENTS**

**WHEREAS**, the City of Syracuse Industrial Development Agency (the "**Agency**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant "financial assistance" (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more "projects" (as defined in the Act); and

**WHEREAS**, the Agency is responsible for executing and delivering numerous documents under the Act in connection with projects undertaken by the Agency; and

**WHEREAS**, in an effort to provide efficiencies to the process, the Agency wishes to delegate certain authority to the Executive Director of the Agency to execute and deliver certain documents in accordance with the provisions of this Resolution.

**NOW, THEREFORE**, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

**Section 1.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** The Agency hereby and makes the following determinations:

(A) The Executive Director of the Agency is hereby authorized to finalize, execute and deliver, on behalf of the Agency, for projects approved by the Agency, all lease transactional documents executed in the normal course of the Agency's business with respect to projects induced by the Agency.

**Section 3.** The Secretary of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 4.** This Resolution shall take effect immediately. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

|                 | <b><u>AYE</u></b> | <b><u>NAY</u></b> |
|-----------------|-------------------|-------------------|
| Michael Frame   | X                 |                   |
| Kenneth Kinsey  | X                 |                   |
| Rickey T. Brown | X                 |                   |

The foregoing Resolution was thereupon declared duly adopted.

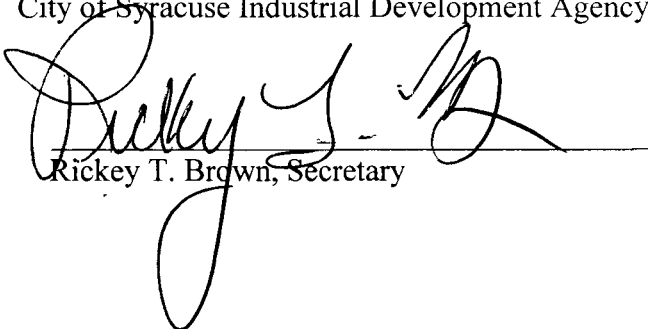
STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ONONDAGA        )

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on February 20, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**I FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this 14 day of March, 2018.

City of Syracuse Industrial Development Agency  
  
\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**REQUEST AND AUTHORIZATION OF  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
TO THE TRUSTEE PURSUANT TO SECTION 2.4  
OF THE INDENTURE OF TRUST (SERIES 2018A PROJECT)  
TO AUTHENTICATE AND DELIVER THE SERIES 2018A BONDS**

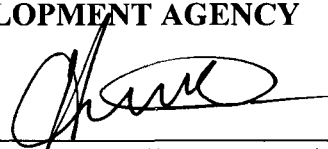
The undersigned Authorized Representative of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the “*Agency*”), pursuant to Section 2.4 of the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “*Indenture*”), by and between the Agency and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), for the benefit of the holders of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A in the aggregate principal amount of \$67,265,000 (the “*Series 2018A Bonds*”), does hereby, on behalf of the Agency:

1. Request and authorize the Trustee to authenticate the Series 2018A Bonds;
2. Request and authorize the Trustee to deliver the Series 2018A Bonds, in substantially the form provided in the Indenture, on behalf of the Agency, to the initial purchaser or purchasers thereof or their designee(s), upon payment of the aggregate purchase price in the amount of \$76,797,508.65; and
3. Authorize and direct the Trustee, upon receipt of the purchase price for the Series 2018A Bonds to deposit such funds in accordance with the provisions of Section 4.1 of the Indenture. Such moneys so deposited shall be used and applied in accordance with the provisions of the Indenture.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 15 day of March, 2018.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:

  
\_\_\_\_\_  
Honora Spillane, Executive Director



**EXECUTION COPY**

\$67,265,000  
SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A

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PURCHASE CONTRACT

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March 2, 2018

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, New York 13210

City of Syracuse Industrial  
Development Agency  
233 East Washington Street  
City Hall, Room 203  
Syracuse, New York 13202

Ladies and Gentlemen:

Raymond James & Associates, Inc. as representative (the "Representative") of the Underwriters set forth on Schedule I hereto (the "Underwriters") hereby offers to enter into this Purchase Contract with the Syracuse Joint Schools Construction Board (the "JSCB"), the City School District of the City of Syracuse (the "SCSD"), the City of Syracuse (the "City"), and the City of Syracuse Industrial Development Agency ("SIDA"). The proceeds of the Series 2018A Bonds will be used to (a) finance a portion of the costs of the Series 2018A Project, as more particularly set forth in the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "Indenture"), between SIDA and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), in accordance with Chapter 58, Part A-4 of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act") and Article 18-A of General Municipal Law of the State of New York (the "State"), as amended, and Chapter 641 of Laws of 1979 of the State (collectively, the "Act"); (c) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (b) fund capitalized interest for the Series 2018A Project; and (d) finance certain costs of issuance of the Series 2018A Bonds.

This offer is made subject to written acceptance hereof by SIDA and the JSCB, at or before 5:00 p.m. New York time on the date hereof. If and when accepted, the offer made pursuant to this Purchase Contract will be binding upon the Underwriters. Terms used herein, unless otherwise defined, have the meanings ascribed thereto in the Final Official Statement (as hereinafter defined).

Section 1. Sale of Series 2018A Bonds. Upon the terms and conditions and upon the basis of the representations hereinafter set forth, the Underwriters hereby jointly and severally agree to purchase from SIDA, and SIDA hereby agrees to sell and deliver to the Underwriters, all (but not less than all) the \$67,265,000 City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Series 2018A Bonds"). The aggregate purchase price of the Series 2018A Bonds shall be \$76,401,497.31, such aggregate purchase price of the Series 2018A Bonds being comprised of: (i) the principal amount of the Series 2018A Bonds \$67,265,000, plus original issue premium of \$9,532,508.65, less underwriting compensation in the amount of \$396,011.34.

Section 2. Official Statement and Issuance of the Series 2018A Bonds. The Series 2018A Bonds shall be as described in the Official Statement of SIDA, the City and the SCSD, dated March 2, 2018 relating to the Series 2018A Bonds (which, including all appendices thereto and with such changes therein and supplements thereto as consented to in writing by the Representative, is herein called the "Final Official Statement"). The Underwriters agree to make a bona fide public offering of the Series 2018A Bonds at the initial offering price or prices or yield or yields set forth in the Final Official Statement. The Representative reserves the right to change such initial offering price or prices as the Representative shall deem necessary in connection with the marketing of the Series 2018A Bonds and to offer and sell the Series 2018A Bonds to certain dealers (including dealers depositing the Series 2018A Bonds into investment trusts) and others at prices lower than the initial offering price or prices set forth in the Final Official Statement. The Representative also reserves the right to (i) over allot or effect transactions which stabilize or maintain the market price of the Series 2018A Bonds at a level above that which might otherwise prevail in the open market, and (ii) discontinue such stabilizing, if commenced, at any time.

Section 3. Delivery of Final Official Statement and Other Documents. SIDA and the JSCB, on behalf of itself, the City and the SCSD, shall deliver or cause to be delivered to the Representative (at the sole cost and expense of the SCSD) two copies of the Final Official Statement substantially in the form of the Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement"), with only such changes therein as shall have been accepted expressly by the Representative (which acceptance will not be unreasonably withheld) signed by Authorized Representatives on behalf of SIDA, the City and the SCSD (at the sole cost and expense of the SCSD), and shall cause copies of the Final Official Statement in sufficient quantity for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board ("MSRB") and Rule 15c2-12(b)(4) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Contract (delivery of such copies of the Final Official Statement within this seven (7) business day period shall constitute SIDA's, the City's and the SCSD's representation that such Final Official Statement is complete as of the date of its

delivery). SIDA and the JSCB, on behalf of itself, the City, the SCSD, hereby consent to the use by the Representative, prior to the date hereof, of copies of the Preliminary Official Statement and the documents referred to therein. In addition, SIDA and the JSCB, on behalf of itself, the City and the SCSD, hereby authorize the distribution of copies of the Final Official Statement in connection with the public offering and sale of the Series 2018A Bonds by the Underwriters.

The Series 2018A Bonds shall be issued under the provisions of the laws of the State, the Act, and all proceedings necessary to authorize the issuance of the Series 2018A Bonds, including the Syracuse Schools Act; provisions of the resolution adopted by SIDA on January 16, 2018 (the "Resolution"); and the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "Indenture"), between SIDA and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). Prior to or concurrently with the issuance of the Series 2018A Bonds, SIDA, the City, the SCSD and the JSCB, on behalf of itself, and, if applicable, the City and the SCSD, as and when a named party, shall have entered into or shall enter into and/or adopt the following documents as applicable (collectively, the "Bond Documents"): the License Agreement, dated as of March 1, 2008, as amended by the Amendatory License Agreement, dated as of December 1, 2010, and as further amended by the Second Amendatory License Agreement, dated as of July 1, 2011, and as further amended by the Third Amendatory License Agreement, dated as of April 1, 2017, and as further amended by the Fourth Amendatory License Agreement, dated as of March 1, 2018, between the City and the SCSD, as licensor, and SIDA, as licensee (collectively, the "License Agreement"); the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Installment Sale Agreement, dated as of July 1, 2009, Amendment No. 2 to Installment Sale Agreement, dated as of December 1, 2010, Amendment No. 3 to Installment Sale Agreement, dated as of July 1, 2011, Amendment No. 4 to Installment Sale Agreement, dated as of April 1, 2017, and Amendment No. 5 to Installment Sale Agreement, dated as of March 1, 2018 among SIDA, the City, the SCSD and the JSCB (collectively, the "Installment Sale Agreement"); the State Aid Depository Agreement, dated as of March 1, 2008, as amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (collectively, the "State Aid Depository Agreement"), among the SCSD, the City and Manufacturers and Traders Trust Company, as depository bank (the "Depository Bank"), in connection with the receipt of State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid (the "State Aid to Education") payable to the SCSD and/or the City; the Continuing Disclosure Agreement, dated as of March 15, 2018, between the JSCB, on behalf of itself, the SCSD and the City, and the Trustee (the "Continuing Disclosure Agreement"); the resolution of the SCSD Board of Education (the "Board of Education") approving, among other things, the Series 2018A Project, this Purchase Contract, the License Agreement, the Installment Sale Agreement, the State Aid Depository Agreement and the Arbitrage and Use of Proceeds Certificate, dated the date of issuance of the Series 2018A Bonds (the "Tax Compliance Certificate"), which Resolution #0917-047 was adopted on September 27, 2017 (the "Board of Education Resolution"); Ordinance No. 831-2017 of the Common Council of the City of Syracuse (the "Common Council"), approving, among other things, the Series 2018A Project, this Purchase Contract, the License Agreement, the Installment Sale Agreement, the State Aid Depository Agreement, as amended and the Tax Compliance Certificate, which ordinance was adopted on October 10, 2017 and approved by the Mayor on October 16, 2017 (the "Common Council Ordinance"); the resolution of the JSCB, approving, among other things, the Series 2018A Project, this Purchase Contract, the Installment Sale Agreement, the Tax

Compliance Certificate; and the Continuing Disclosure Agreement, which Resolution No. 133 of 2017 was adopted on September 28, 2017 (the "JSCB Resolution"). The proceeds of the Series 2018A Bonds will be applied in accordance with the Act, the Syracuse Schools Act, and the Series 2018A Indenture, to (i) finance a portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. The Bond Documents, together with the Syracuse Schools Act, the Resolution, the Indenture, this Purchase Contract, and the Series 2018A Bonds are sometimes hereinafter collectively referred to as the "Project Documents."

Section 4. Authorization of Representative. The Underwriters represent that Raymond James & Associates, Inc. has been duly authorized by the Underwriters to be their Representative and to execute this Purchase Contract and to act hereunder on behalf of itself and the other Underwriters and to have full authority to take such action as it may deem advisable in respect of all matters pertaining to this Purchase Contract.

Section 5. Representations and Agreements.

A. SIDA represents to and agrees with the Underwriters and the JSCB that:

(i) both at the time of acceptance hereof by SIDA and (unless amended or supplemented as described in Section 8 hereof) at all times during the period from the date hereof to and including the date which is 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Preliminary Official Statement and the Final Official Statement under the headings "THE ISSUER" and "NO LITIGATION" with respect to SIDA, do not, and will not (unless amended or supplemented as described in Section 8 hereof) contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading;

(ii) prior to the execution of this Purchase Contract, SIDA caused to be delivered to the Representative copies of the Preliminary Official Statement which SIDA deemed to be final as of its date for the purposes of Rule 15c2-12 of the Exchange Act (the "Rule"), except for permitted omissions described in paragraph (b)(1) of said Rule;

(iii) if the statements and information relating to SIDA contained in the Final Official Statement under the heading "THE ISSUER" and "NO LITIGATION" are supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the information relating to SIDA contained under the headings "THE ISSUER" and "NO LITIGATION" with respect to SIDA in

the Final Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(iv) SIDA is and, to the best of its knowledge will be at the Closing Date, duly organized and existing as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation with the powers and authority, among others, set forth in the Act;

(v) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Contract, the Series 2018A Bonds will have been duly authorized, and when executed, authenticated, issued and delivered, will constitute the legal, valid and binding special revenue obligations of SIDA in conformity with, and entitled to the benefit of, SIDA Documents (as defined below), and each of the SIDA Documents will conform in all material respects to the descriptions thereof contained in the Final Official Statement;

(vi) the execution and delivery by SIDA of this Purchase Contract, the Indenture, the License Agreement, the Installment Sale Agreement, the Pledge and Assignment, dated as of March 1, 2018, between SIDA and the Trustee, with acknowledgement thereof by the JSCB, the City and SCSD, and the adoption of the Resolution (collectively, the "SIDA Documents") have been duly authorized by all necessary corporate action of SIDA, and the SIDA Documents (other than the Resolution), when executed and delivered, will constitute the valid and binding obligations of SIDA enforceable against SIDA in accordance with their terms, (except to the extent enforcement thereof may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity) and compliance with the provisions of all of them under the circumstances contemplated hereby and thereby does not, as of the date of acceptance hereof and will not at the Closing Date in any material respect, conflict with or constitute on the part of SIDA a breach of or default under any agreement or other instrument to which SIDA is a party or any existing law, administrative regulation, court order or consent decree to which SIDA is now subject;

(vii) except as disclosed in the Final Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of SIDA, threatened, against or affecting SIDA, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the SIDA Documents or the Final Official Statement or which in any way would materially and adversely affect the validity of them, or any other agreement or instrument to which SIDA is a party and which is used or contemplated for use in consummating the transactions contemplated hereby, by the Final Official Statement and by the Indenture, or the exemption of interest on the Series 2018A Bonds from taxation as described in the Final Official Statement;

(viii) to the best knowledge of SIDA, SIDA is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable

judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which SIDA is a party or is otherwise subject, which breach or default would in any way materially and adversely affect the transactions contemplated by the SIDA Documents or the issuance of the Series 2018A Bonds, and to the best knowledge of SIDA, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such instrument:

(ix) SIDA will advise the Representative promptly of any proposal to amend or supplement the Final Official Statement of which it has knowledge and will not effect such amendment or supplement without the consent of the Representative, which shall not be unreasonably withheld, and SIDA will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Final Official Statement in connection with the offering, sale or distribution of the Series 2018A Bonds;

(x) SIDA will use its best efforts, at the sole cost and expense of the SCSD, to furnish such information, execute such instruments and take such other action in cooperation with the Representative, as the Representative may reasonably request, to qualify the Series 2018A Bonds for offer and sale under the Blue Sky or other securities laws or regulations of such states and other jurisdictions of the United States as the Representative may designate, provided that SIDA shall not be required to incur any expense or to qualify to do any business in any such jurisdiction;

(xi) any certificate provided in connection with the transactions contemplated by this Purchase Contract and the Final Official Statement signed by an Authorized Representative of SIDA and delivered to the Representative or, in connection with the Closing, to the Trustee and/or the Depository Bank, shall constitute a representation and warranty of SIDA to the Representative as to the statements made therein; and

B. The SCSD represents to and agrees with the Underwriters and SIDA that:

(i) both at the time of acceptance hereof by the SCSD and (unless amended or supplemented as described in Section 8 hereof) at all times during the period from the date hereof to and including the date which is 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Preliminary Official Statement and the Final Official Statement (with the exception of statements and information under the headings: "PROGRAM PARTICIPANTS - The City," "THE ISSUER," "DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD – first paragraph under subheading Budget Procedures and Plans," "TAX MATTERS," and "APPENDIX E - Form of Opinion of Bond Counsel") do not, and will not (unless amended or supplemented as described in Section 8 hereof), contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading;

(ii) if the statements and information contained in the Final Official Statement are supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Final Official Statement (with the exception of statements and information under the headings, "PROGRAM PARTICIPANTS - The City," "THE ISSUER," "DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD - first paragraph under subheading Budget Procedures and Plans," "TAX MATTERS," and "APPENDIX E - Form of Opinion of Bond Counsel") as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(iii) the SCSD is, and will be on the Closing Date, duly organized, validly existing and authorized to enter into the transactions contemplated by this Purchase Contract and the other SCSD Documents, as defined below;

(iv) the execution and delivery of this Purchase Contract, the License Agreement, the Installment Sale Agreement, the Pledge and Assignment, the Continuing Disclosure Agreement, the Tax Compliance Certificate and related documents (collectively, the "SCSD Documents") have been duly authorized by all necessary corporate action and, when executed and delivered, will constitute the valid and binding obligations of the SCSD enforceable against the SCSD in accordance with their terms and compliance with the provisions of all of them, under the circumstances contemplated hereby and thereby, do not, as of the date of acceptance hereof and will not at the Closing Date, in any material respect conflict with or constitute on the part of the SCSD a breach of or default under any agreement or other instrument to which the SCSD is a party or any existing law, administrative regulation, court order or consent decree to which the SCSD is subject and when executed and delivered, the SCSD Documents will be valid and binding agreements of the SCSD;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of the SCSD, threatened, against or affecting the SCSD, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the SCSD Documents, or the Final Official Statement or which in any way would materially and adversely affect the validity of the SCSD Documents, or any other agreement or instrument to which the SCSD is a party and which is used or contemplated for use in consummating the transactions contemplated hereby, or by the Final Official Statement;

(vi) (a) the SCSD is not in breach of or default under, and has not failed to comply in any material respect with, any applicable law or administrative rule or regulation of the State, including, without limitation, any applicable law or administrative rule or regulation of the New York State Commissioner of Education (the "State Commissioner of Education"), the New York State Department of Education (the "State Education Department"), or the United

States, or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the SCSD is a party or is otherwise subject, which breach or default would in any way materially and adversely affect the transactions contemplated by the SCSD Documents or the issuance of the Series 2018A Bonds, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such instrument: (b) the SCSD has received and there remain currently in full force and effect all governmental consents and approvals necessary at this time which would constitute a condition precedent to, or the failure to obtain would materially adversely affect, the performance by the SCSD of its obligations under the SCSD Documents, except for those consents and approvals not yet received that the SCSD reasonably expects to receive in a timely manner; (c) the Series 2018A Project, as described in the Preliminary Official Statement and the Final Official Statement, is in compliance with the Syracuse Schools Act; (d) the SCSD has received and there remains currently in full force and effect all permits, licenses, accreditations, and certifications necessary to (1) conduct its business as it is presently being conducted, subject to minor exceptions and deficiencies that are not material and do not affect the conduct of its business and (2) own and operate the Series 2018A Project (as such term is defined in the Final Official Statement), except for such permits, licenses, accreditations, and certifications not yet received that the SCSD reasonably expects to receive in a timely manner; and (e) the SCSD is current in filing all disclosures which may be required under any undertaking entered into pursuant to the Rule:

(vii) the SCSD will advise the Representative promptly of any proposal to amend or supplement the Final Official Statement of which it has knowledge and will not effect such amendment or supplement without the consent of the Representative, which shall not be unreasonably withheld, and the SCSD will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Final Official Statement in connection with the offering, sale or distribution of the Series 2018A Bonds:

(viii) any certificate provided in connection with the transactions contemplated by this Agreement and the Final Official Statement signed by an official of the SCSD and delivered to the Representative or, in connection with the Closing, to the Trustee and/or the Depository Bank, shall constitute a representation and warranty of the SCSD to the Representative and SIDA as to the statements made therein:

C. The JSCB, on behalf of the City, represents and warrants to the Underwriters and SIDA that:

(i) both at the time of acceptance hereof by the JSCB and (unless amended or supplemented as described in Section 8 hereof) at all times during the period from the date hereof to and including the date which is 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Preliminary Official Statement and the Final Official Statement (with the exception of statements and information under the headings, "PROGRAM PARTICIPANTS - all subheadings other than the City," "THE ISSUER," "TAX MATTERS," and "APPENDIX E - Form of Opinion of Bond Counsel") do not, and will not (unless amended



or supplemented as described in Section 8 hereof) contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading;

(ii) if the statements and information contained in the Final Official Statement are supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Final Official Statement (with the exception of statements and information under the headings, "PROGRAM PARTICIPANTS- all subheadings other than the City," "THE ISSUER," "TAX MATTERS," and "APPENDIX E - Form of Opinion of Bond Counsel") as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(iii) the City is, and will be at the Closing Date, duly constituted and validly existing as a municipal corporation under the laws of the State, and authorized to enter into the transactions contemplated by this Purchase Contract and the other City Documents;

(iv) the execution and delivery of this Purchase Contract, the License Agreement, the Installment Sale Agreement, the Pledge and Assignment, the Continuing Disclosure Agreement, the Tax Compliance Certificate and related documents (collectively, the "City Documents") have been duly authorized by all necessary corporate action and, when executed and delivered, will constitute the valid and binding obligations of the City enforceable against the City in accordance with their terms and compliance with the provisions of all of them, under the circumstances contemplated hereby and thereby, do not, as of the date of acceptance hereof and will not at the Closing Date, in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, administrative regulation, court order or consent decree to which the City is subject and when executed and delivered, the City Documents will be valid and binding agreements of the City;

(v) the City is not, and at the time of the Closing will not be, in breach of or in default under any applicable law or administrative regulation of the State of New York or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the City is, and will as of the date of the Closing be, a party or otherwise subject, which breach or default would in any way materially and adversely affect the issuance of the Series 2018A Bonds, and no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default; and the issuance, sale and delivery of the Series 2018A Bonds will not conflict with or constitute a breach of or default under any agreement or other instrument to which the City is a party or otherwise subject;

(vi) as of the time of acceptance hereof and as of the Closing, except as disclosed in the Official Statement, no action, suit, proceeding or investigation is pending or (to the best knowledge of the City) threatened against the City or (to the best knowledge of the City, no independent investigation having been made) any other person in any court or before any Governmental Authority seeking to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or in any way contesting or affecting the validity of the Series 2018A Bonds, or this Purchase Contract;

(vii) any certificate signed by an official or other representative of the City and delivered to the Representative in connection with the issuance of the Series 2018A Bonds shall be deemed a representation and warranty by the City to the Underwriters as to the statements therein made;

(viii) there has been delivered to the Representative a letter dated the date hereof and a letter dated the date of the Preliminary Official Statement (or prior dates acceptable to the Representative) from Bonadio & Co., LLP, an independent certified public accounting firm, in form and substance satisfactory to the Representative, to the effect respectively, that it consents to the use of its audit report to the extent included in the Official Statement and the Preliminary Official Statement;

(ix) there has been delivered to the Representative a letter dated the date hereof and a letter dated the date of the Preliminary Official Statement (or prior dates acceptable to the Representative) from Bonadio & Co., LLP, an independent certified public accounting firm, in form and substance satisfactory to the Representative, addressed to the SCSD and the Representative, to the effect that they have made certain limited reviews and performed certain tasks described in their respective letters and have respectively reviewed the financial and statistical information set forth in the Preliminary Official Statement and the Official Statement under certain specified captions, and such information accurately reflects the relevant information in the records reviewed by them respectively or has been properly computed on the basis of the tasks performed by them or otherwise meets certain criteria set forth in their respective letters;

(x) except as noted in the Official Statement, the City has not failed during the previous five years to comply in all material respects with any of its undertakings in previous written continuing disclosure contracts or agreements under Rule 15c2-12;

D. The JSCB, on behalf of itself, represents to the Underwriters and SIDA that:

(i) both at the time of acceptance hereof by the JSCB and (unless amended or supplemented as described in Section 8 hereof) at all times during the period from the date hereof to and including the date which is 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Preliminary Official Statement and the Final Official Statement (with the exception of statements and information under the headings, "THE ISSUER," "TAX MATTERS," and "APPENDIX E - Form of Opinion of Bond Counsel") do not, and will not,

contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading:

(ii) if the statements and information contained in the Final Official Statement are supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including 25 days following the end of the underwriting period for the Series 2018A Bonds (as determined in accordance with Section 8 hereof), the statements and information contained in the Final Official Statement (with the exception of statements and information under the headings, "THE ISSUER," "TAX MATTERS," and "APPENDIX E — Form of Opinion of Bond Counsel") as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(iii) the JSCB is, and will be on the Closing Date, duly organized, validly existing and authorized to enter into the transactions contemplated by this Purchase Contract and the other JSCB Documents, as defined below:

(iv) the execution and delivery of this Purchase Contract, the Installment Sale Agreement, the Pledge and Assignment, the Program Manager Agreement, the Continuing Disclosure Agreement, the Tax Compliance Certificate and related documents (collectively, the "JSCB Documents") have been duly authorized by all necessary corporate action and, when executed and delivered, will constitute the valid and binding obligations of the JSCB enforceable against the JSCB in accordance with their terms and compliance with the provisions of all of them, under the circumstances contemplated hereby and thereby, do not, as of the date of acceptance hereof and will not at the Closing Date, in any material respect conflict with or constitute on the part of the JSCB a breach of or default under any agreement or other instrument to which the JSCB is a party or any existing law, administrative regulation, court order or consent decree to which the JSCB is subject and when executed and delivered, the JSCB Documents will be valid and binding agreements of the JSCB;

(v) except as disclosed in the Final Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of the JSCB, threatened, against or affecting the JSCB, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the JSCB Documents, or the Final Official Statement or which in any way would materially and adversely affect the validity of the JSCB Documents, or any other agreement or instrument to which the JSCB is a party and which is used or contemplated for use in consummating the transactions contemplated hereby, or by the Final Official Statement;

(vi) (a) the JSCB is not in breach of or default under, and has not failed to comply in any material respect with, any applicable law or administrative rule or regulation of the State, including, without limitation, any applicable law or administrative rule or regulation of

the New York State Commissioner of Education (the "State Commissioner of Education"), the New York State Department of Education (the "State Education Department"), or the United States, or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the JSCB is a party or is otherwise subject, which breach or default would in any way materially and adversely affect the transactions contemplated by the JSCB Documents or the issuance of the Series 2018A Bonds, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such instrument; (b) the JSCB has received and there remain currently in full force and effect all governmental consents and approvals necessary at this time which would constitute a condition precedent to, or the failure to obtain would materially adversely affect, the performance by the JSCB of its obligations under the JSCB Documents, except for those consents and approvals not yet received that the JSCB reasonably expects to receive in a timely manner; (c) the Series 2018A Project, as described in the Preliminary Official Statement and the Final Official Statement, is in compliance with the Syracuse Schools Act; (d) the JSCB has received and there remains currently in full force and effect all permits, licenses, accreditations, and certifications necessary to (1) conduct its business as it is presently being conducted, subject to minor exceptions and deficiencies that are not material and do not affect the conduct of its business and (2) own and operate the Facilities, except for such permits, licenses, accreditations, and certifications not yet received that the JSCB reasonably expects to receive in a timely manner; and (e) the JSCB is current in filing all disclosures which may be required under any undertaking entered into pursuant to the Rule:

(vii) the JSCB will advise the Representative promptly of any proposal to amend or supplement the Final Official Statement of which it has knowledge and will not effect such amendment or supplement without the consent of the Representative, which shall not be unreasonably withheld, and the JSCB will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Final Official Statement in connection with the offering, sale or distribution of the Series 2018A Bonds;

(viii) any certificate provided in connection with the transactions contemplated by this Agreement and the Final Official Statement signed by an official of the JSCB and delivered to the Representative or, in connection with the Closing, to the Trustee and/or the Depository Bank, shall constitute a representation and warranty of the JSCB to the Representative and SIDA as to the statements made therein;

E. The Representative represents to and agrees with SIDA and the JSCB that the Representative is registered under the Exchange Act as a municipal securities dealer, is duly authorized and empowered to execute and deliver this Purchase Contract and to perform its obligations hereunder; and that this Purchase Contract has been duly executed and delivered by the Representative and constitutes a valid and binding obligation of the Underwriters. The Representative acknowledges that the Indenture provides that the Series 2018A Bonds shall be special obligations of SIDA, payable by SIDA solely out of the Trust Estate (as such term is defined in the Final Official Statement) pledged therefor; that the Series 2018A Bonds shall never constitute a debt of the State or the City; that neither the State nor the City shall be liable on the Series 2018A Bonds; that no directors, members, officers, employees or agents of SIDA

or any person executing the Series 2018A Bonds shall be liable personally or be subject to any personal liability or accountability by reason of or in connection with the issuance thereof; that SIDA makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Series 2008 Project or the suitability of the Series 2008 Project for the purposes or needs of the SCSD; and that SIDA does not in any way represent that the insurance, if any, required by the License Agreement or the Installment Sale Agreement, whether in scope or coverage or limits of coverage, is adequate or sufficient to protect the business or interest of the SCSD.

Upon receipt of the same as herein provided, the Representative agrees to file a copy of the Final Official Statement in accordance with procedures established under the Electronic Municipal Market Access ("EMMA") system maintained by the MSRB.

Section 6. Closing. Delivery and payment for the Series 2018A Bonds (the "Closing") will take place at 10:00 A.M., New York time, on March 15, 2018, or at such other time or on such later Business Day (as such term is defined in the Final Official Statement) as shall have been mutually agreed upon by the parties hereto. At the Closing, or such other date as shall be mutually agreed upon by SIDA and the Representative (the "Closing Date"), SIDA will cause the Series 2018A Bonds to be delivered to The Depository Trust Company ("DTC") or to the Trustee for safekeeping on behalf of DTC, or to such other place as SIDA and the Representative may mutually agree upon, on behalf of the Underwriters, duly executed and authenticated. The Series 2018A Bonds shall be printed or typewritten on safety paper; shall be prepared and delivered in the form of single, fully registered bonds in the principal amount due on each maturity date and registered in the name of Cede & Co., as nominee of DTC; and shall be made available to the Underwriters at least two Business Days prior to the Closing Date for purposes of inspection. At the Closing, the Underwriters shall pay the amount due at Closing, as set forth in Section 1 of this Purchase Contract in Federal Funds or otherwise in immediately available funds. All actions taken at Closing shall take place at the offices of Barclay Damon LLP in Syracuse, New York, except as otherwise provided in the first two sentences of this Section 6.

Section 7. Certain Conditions to the Underwriters' Obligations; Right to Terminate.

(a) The Representative has entered into this Purchase Contract in reliance upon the agreements, representations and warranties of the SIDA, the SCSD and the JSCB on behalf of the City and itself, contained herein, and in reliance upon the representations, and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the SIDA, the SCSD, the City and the JSCB of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for, the Series 2018A Bonds shall be conditioned upon the performance by the SIDA, the SCSD, the City and the JSCB of their respective obligations to be performed hereunder and the delivery of the Series 2018A Bonds and the documents and instruments required to be delivered hereby at or prior to the Closing, including, as follows:

(i) The representations and warranties of the SIDA, the SCSD, the City and the JSCB contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(ii) At the time of the Closing, this Purchase Contract shall be in full force and effect; the Resolution and the Syracuse Schools Act shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative; all actions of the SIDA, the SCSD, the City and the JSCB which, in the opinion of Barclay Damon LLP, as Bond Counsel to the SIDA in connection with the Series 2018A Bonds ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and the SIDA, the SCSD, the City and then JSCB shall perform or shall have performed all of their obligations required under or as specified in the Resolution and the Syracuse Schools Act, the Indenture, the Continuing Disclosure Agreement, this Purchase Contract or the Final Official Statement to be performed at or prior to the Closing.

(iii) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside) (a) which has any of the effects described in Section 5(B)(v) hereof, or in subsection (b) below which declares or causes this Purchase Contract to be invalid or unenforceable in whole or in material part.

(b) In addition to and not in limitation of the preceding, the Representative, in its sole discretion, shall have the right to terminate this Purchase Contract by notification to the SIDA, the SCSD, the City and the JSCB from the Representative of the election of the Underwriters to do so if, after the execution hereof and prior to Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Preliminary Official Statement or the Final Official Statement, or which is not reflected in the Preliminary Official Statement or the Final Official Statement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made not misleading in any material respect and, in either such event, (1) the SIDA, SCSD, the City and/or the JSCB refuses to permit the Final Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative or (2) the effect of the Final Official Statement as so supplemented is, in the judgment of the Representative, to materially adversely affect the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2018A Bonds; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of Congress, or

recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service, or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee, by the staff of such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States or a bill to amend the Internal Revenue Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or State taxation of interest received on obligations of the general character of the Series 2018A Bonds which, in the judgment of the Representative, materially adversely affects the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2018A Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2018A Bonds (including any related underlying obligation) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act, or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress, or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2018A Bonds, including any or all underlying arrangements, are not exempt from registration under, or other requirements of the Securities Act, or that the Indenture is not exempt from qualification under, or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Series 2018A Bonds, including any or all underlying arrangements, as contemplated hereby or by the Final Official Statement or otherwise, is or would be in violation of the federal securities law, as amended and then in effect; or

(v) there shall have occurred (1) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war; or (2) any other or other calamity or crisis in the financial markets of the United States or elsewhere; or (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000, which, in the judgment of the Representative, materially adversely affects the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale at the contemplated offering prices (or yields), of the Series 2018A Bonds; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange, whether by virtue of a determination by that Exchange, or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (1) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Series 2018A Bonds or similar obligations; or (2) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriters or broker-dealers which, in the judgment of the Representative, materially adversely affects the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2018A Bonds; or

(vii) a general banking moratorium shall have been declared by federal or New York or other state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the judgment of the Representative, materially adversely affects the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2018A Bonds; or

(viii) a default by the State shall have occurred and be continuing which, in the Representative reasonable professional judgment, materially adversely affects the market price or marketability of the Series 2018A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2018A Bonds. For all purposes hereof, a default shall not be deemed to be continuing if it has been cured, waived or otherwise remedied; or



(ix) (a) a downgrading or suspension of any rating (without regard to credit enhancement, if any) by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's ("S&P") or Fitch Ratings ("Fitch") of any debt securities issued by the SIDA for the benefit of the SCSD including the Series 2018A Bonds, or (b) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch (together hereinafter referred to as the "Rating Agencies") of any debt securities issued by the SIDA for the benefit of the SCSD including the Series 2018A Bonds.

(c) As a further condition of the Underwriters fulfillment of their obligations hereunder, at or prior to the Closing, the Representative shall have received the following documents:

(i) The (1) approving opinion of Barclay Damon, LLP, Syracuse, New York ("Bond Counsel"), dated the Closing Date, substantially in the form set forth as Appendix E to the Final Official Statement, together with a letter of Bond Counsel addressed to the Representative stating that the Underwriters are entitled to rely upon the approving opinion as though addressed to them, and (2) supplementary opinion of Bond Counsel, dated the Closing Date and addressed to the Representative in substantially the form attached hereto as Exhibit A;

(ii) The opinion of Corporation Counsel of the City ("Corporation Counsel") on behalf of SIDA, dated the Closing Date and addressed to the SCSD, the City, the JSCB, the Representative, the Trustee, Bond Counsel and SIDA, substantially in the form of Exhibit B attached hereto, with such modifications thereto as the Representative shall reasonably approve;

(iii) The opinion of the Corporation Counsel, as counsel to the SCSD and the City, dated the Closing Date and addressed to SIDA, the Trustee, the Depository Bank, Bond Counsel, the Representative, the City, the SCSD and the JSCB, substantially in the form of Exhibit C attached hereto, with such modifications thereto as the Representative shall reasonably approve;

(iv) The opinion of Jeffrey R. Egan, Esq. counsel to the Program Manager, dated the Closing Date and addressed to SIDA, the Trustee, Bond Counsel, the Representative, the City, the SCSD and the JSCB, substantially in the form of Exhibit D attached hereto, with such modifications thereto as the Representative shall reasonably approve;

(v) The opinion of Trespasz & Marquardt, LLP, Syracuse, New York, counsel to the JSCB, dated the Closing Date and addressed to the SCSD, the City, SIDA, Bond Counsel, the Trustee and the Representative, substantially in the form of Exhibit E attached hereto, with such modifications thereto as the Representative shall reasonably approve;

(vi) The opinion or opinions of Hodgson Russ LLP, counsel to Manufacturers and Traders Trust Company, as Trustee and in its capacity as Depository Bank, dated the Closing Date and addressed to SIDA, the SCSD, the JSCB, the City, Bond Counsel and the Representative, substantially to the effect that, as to each such capacity, as appropriate: (a) the Trustee is a bank validly existing under the laws of the State, has duly accepted appointment as Trustee under the Indenture and as Depository Bank under the State Aid Depository Agreement, and has all necessary trust powers to carry out its duties and obligations under the Indenture and the State Aid Depository Agreement; (b) other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business, the acceptance and performance by the Trustee of the duties of the office of Trustee under the Indenture and as Depository Bank under the State Aid Depository Agreement, do not require the consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of any federal, State governmental body or authority; (c) each of the Indenture and the State Aid Depository Agreement has been duly authorized, executed and delivered by the Trustee and the Depository Bank, respectively, by all necessary corporate action and constitute the valid and binding obligations of the Trustee and Depository Bank, enforceable against each of them in accordance with their terms; (d) such execution, delivery and performance will not, to the best knowledge of the opinion signatory, violate any existing federal or State law or regulation; (e) the officers of the Trustee and Depository Bank, as appropriate, executing and delivering the Indenture and the State Aid Depository Agreement, have been duly authorized to execute and deliver the Indenture and the State Aid Depository Agreement; and (f) to the best knowledge of the opinion signatory, no litigation is pending or threatened in any way against the Trustee or Depository Bank, calling into question, the authority of the Trustee and the Depository Bank in its respective capacities, to execute the Indenture and the State Aid Depository Agreement, or perform the duties and obligations thereunder;

(vii) The opinion of Harris Beach, PLLC, as counsel to the Underwriters ("Counsel to the Underwriters"), dated the Closing Date and addressed to the Representative, substantially to the effect that the Series 2018A Bonds are exempt securities within the meaning of the Securities Act of 1933 and the Indenture is exempt from qualification under the Trust Indenture Act of 1939; that the Continuing Disclosure Agreement complies in all material respects with the requirements of the Rule; and addressing such other matters as the Representative may reasonably request;

(viii) A copy of the Trustee's certificate of authority, incumbency of officers and acceptance of duties as Trustee, as Escrow Agent and as Depository Bank in form and substance reasonably satisfactory to the Representative;

(ix) Copy of the State Environmental Quality Review Act Determination of Significance, adopted by SIDA, as lead agency in a coordinated environmental

impact review, pursuant to Article 8 of the Environmental Conservation Law of the State as applicable in connection with the Series 2018A Project;

(x) Copies of (a) all approvals from the State Commissioner of Education (or other authorized representative) of the plans and specifications for 2018A Project (including to the extent available, State Aid Form-4, Building Permit, Bond Certificate and Letter of Intent together with Project Control Number); (b) executed Letters of Intent from the State Commissioner of Education (or other authorized representative) together with Project Control Numbers for the Design Phase of the Series 2018A Project; and (c) the certification from the executive director of the New York State Municipal Bond Bank Agency to the State Commissioner of Education required under Section 3602(6)(e)(5)(a)(iii) of the Education Law, as amended by the Syracuse Schools Act;

(xi) The certificate, dated the Closing Date, signed by an Authorized Representative of SIDA to the effect that, to the best of his or her knowledge, (a) each of the representations of SIDA herein are true and correct in all material respects at and as of the Closing Date and each of the obligations of SIDA under this Purchase Contract to be performed at or prior to the Closing Date have been performed; (b) pursuant to the Resolution, which is in full force and effect, SIDA has duly authorized the execution, delivery and due performance of the Series 2018A Bonds and SIDA Documents, and the taking of any and all action as may be required on the part of SIDA to carry out, give effect to and consummate the transactions contemplated by SIDA Documents; (c) except as disclosed in the Final Official Statement, no litigation is pending or threatened (i) to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or the collection of revenues or assets pledged by SIDA under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2018A Bonds or the validity of the Series 2018A Bonds or SIDA Documents, or (iii) in any way contesting the corporate existence or powers of SIDA; (d) all consents, approvals, and authorizations of governmental bodies required for the due authorization, execution, issuance and delivery of the Series 2018A Bonds by SIDA have been obtained; and (e) no event has occurred since the date of the Final Official Statement which it is necessary to disclose therein in order to make the statements and information therein under the caption "THE ISSUER" and "NO LITIGATION" relating to SIDA not misleading in any material respect;

(xii) The certificate of an Authorized Representative of the SCSD dated the Closing Date, in form and substance reasonably satisfactory to the Representative and SIDA, to the effect that: (a) the representations of made by the JSCB on behalf of the SCSD herein are true and correct in all material respects at and as of the Closing Date and each of the obligations of the SCSD under this Purchase Contract to be performed at or prior to the Closing Date have been performed; (b) the SCSD has received all necessary approvals from the State Education Department for the acquisition, construction, renovation, reconstruction, improvement, equipping and furnishing of the Series 2008 Project; (c) except as

disclosed in the Preliminary Official Statement and the Final Official Statement, since March 2, 2018, no material or adverse change has occurred in the financial position or results of operations, business, or affairs of the SCSD, and the SCSD has not, since March 2, 2018, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Final Official Statement; (d) no litigation is pending or, to the best of such officer's knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or any payments under the Installment Sale Agreement, or the transactions contemplated by this Purchase Contract or any other SCSD Documents wherein an unfavorable decision, ruling or finding would adversely affect the validity or the enforceability of any of such documents or which would materially and adversely affect the business, properties or condition of the SCSD or (ii) in any way contesting the corporate existence, powers or operations of the SCSD; (e) to the best of such officer's knowledge, no event affecting the SCSD has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of the Closing Date; and (f) the SCSD is current in filing all disclosures which may be required under any undertaking entered into pursuant to the Rule;

(xiii) The certificate of an Authorized Representative of the City dated the Closing Date, in form and substance reasonably satisfactory to the Representative and SIDA, to the effect that: (a) the representations made by the JSCB on behalf of the City herein are true and correct in all material respects at and as of the Closing Date and each of the obligations of the City under this Purchase Contract to be performed at or prior to the Closing Date have been performed; (b) the City has received all necessary approvals from the State Education Department for the design, reconstruction, rehabilitation and/or equipping of the Facilities which comprise the Series 2018A Project; (c) except as disclosed in the Preliminary Official Statement and the Final Official Statement, since March 2, 2018, no material or adverse change has occurred in the financial position or results of operations, business, or affairs of the City, and the City has not, since March 2, 2018, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Final Official Statement; (d) no litigation is pending or, to the best of such officer's knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds or any payments under the Installment Sale Agreement, or the transactions contemplated by this Purchase Contract or any other City Documents wherein an unfavorable decision, ruling or finding would adversely affect the validity or the enforceability of any of such documents or which would materially and adversely affect the business, properties or condition of the City or (ii) in any way contesting the corporate existence, powers or operations of the City; (e) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for

the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of the Closing Date; and (f) the City is current in filing all disclosures which may be required under any undertaking entered into pursuant to the Rule;

(xiv) The certificate of an authorized officer of the JSCB, dated the Closing Date, in form and substance reasonably satisfactory to the Representative, to the effect that (a) the representations of the JSCB herein are true and correct in all material respects at and as of the Closing Date and each of the obligations of the JSCB under this Purchase Contract to be performed at or prior to the Closing Date have been performed; (b) the JSCB has received all necessary approvals from the State Education Department for the design, reconstruction, rehabilitation and/or equipping of the Facilities which comprise the Series 2018A Project; (c) the JSCB is duly organized and validly existing, with full power and authority to enter into each of the Installment Sale Agreement, the Tax Compliance Certificate, the Continuing Disclosure Agreement and this Purchase Contract (collectively, the "JSCB Documents"), and each of the JSCB Documents constitute the valid and binding obligation of and are enforceable against the JSCB in accordance with their respective terms; (d) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency or body, pending or, to the best of his or her knowledge, threatened against the JSCB which is likely to materially adversely affect the JSCB, or materially adversely affect the transactions contemplated by the JSCB Documents, or materially adversely affect the construction of the Facilities, or adversely affect the validity or enforceability of the JSCB Documents; (e) no event of default or event which, with notice or lapse of time or both, would constitute an event of default under the JSCB Documents has occurred and is continuing; and (f) as of the date of the Final Official Statement and the Closing Date, the statements contained in the Final Official Statement under the headings, "INTRODUCTION – Purpose of the Series 2018A Bonds and The Program," "THE PROGRAM" and "PROGRAM PARTICIPANTS - The JSCB" do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xv) The certificate of an authorized officer of the Program Manager, dated the Closing Date, in form and substance reasonably satisfactory to the Representative, to the effect that: (a) the Program Manager is duly organized, validly existing and qualified to do business in each and every jurisdiction where it is doing business, with full power and authority to enter into the Program Manager Agreement; (b) the Program Manager Agreement has been duly executed by an authorized officer of the Program Manager and creates a legal, valid and binding obligation of the Program Manager enforceable against the Program Manager in accordance with its terms; (c) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency or body, pending or, to the best of his or her knowledge, threatened against the Program Manager which is likely to

materially adversely affect the Program Manager, or materially adversely affect the transactions contemplated by the Program Manager Agreement, or materially adversely affect the construction of the Facilities, or adversely affect the validity or enforceability of the Program Manager Agreement; (d) no event of default or event which, with notice or lapse of time or both, would constitute an event of default under the Program Manager Agreement has occurred and is continuing; and (e) as of the date of the Final Official Statement and the Closing Date, the statements contained in the Final Official Statement under the heading, "INTRODUCTION —The Program and the Series 2018A Project," and "PROGRAM PARTICIPANTS —The Program Manager" do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xvi) With respect to SIDA, copies, as amended, of (a) the Certificate of Establishment, certified by the Secretary of State of the State, (b) a certificate of the New York State, Miscellaneous Records Unit, certifying as to the current membership of SIDA, and (c) as certified by the Secretary to SIDA, (i) the Bylaws and (ii) the Resolution;

(xvii) With respect to the Board of Education, copies, as amended, certified by the Secretary to the Board of Education, of the Bylaws, the Board of Education Resolution, and any and all resolutions related to the Series 2018A Project authorizing the execution and delivery of the SCSB Documents and the Final Official Statement, and the distribution of the Preliminary Official Statement and the Final Official Statement;

(xviii) With respect to the JSCB, copies, as amended, certified by the Secretary to the JSCB, of the Bylaws and any and all resolutions related to the Series 2018A Project authorizing all action to be taken by the JSCB, including execution and delivery of the JSCB Documents;

(xix) Copies, certified by the City Clerk, of any and all ordinances of the Common Council, including the Common Council Ordinance, and any and all documents executed and to be executed and actions taken and to be taken by the City in connection with the Series 2018A Project;

(xx) With respect to the Program Manager, copies, as amended, of (a) the Certificate of Incorporation and Authority to Do Business in the State and good standing certificates, certified by the Secretary of State of the State and, (b) as certified by the Secretary to the Program Manager, the resolution or resolutions of the Board of Directors of the Program Manager authorizing all action to be taken by the Program Manager, including execution and delivery of the Program Manager Agreement;

(xxi) Executed copies of the Indenture, the License Agreement, the Installment Sale Agreement, the Tax Compliance Certificate, the Continuing Disclosure

Agreement and all other Project Documents in connection with the issuance of the Series 2018A Bonds;

(xxii) A preliminary and final “Blue Sky” memorandum prepared by Counsel to the Underwriters;

(xxiii) Evidence of the filing of Internal Revenue Service Form 8038G as required by the Code in connection with the issuance of the Series 2018A Bonds or assurances satisfactory to the Representative that such filing will be made in a timely manner;

(xxiv) Written evidence from the Rating Agencies that the Series 2018A Bonds have been given uninsured ratings which are not below the ratings specified in the Final Official Statement;

(xxv) Copies of accountant’s agreed upon procedures letters, together with its consent to inclusion of its report with regard to the SCSD’s financial statements in the Preliminary Official Statement;

(xxvi) Copy of (a) the letter of instructions from the Commissioner of Finance of the City and the Superintendent of the SCSD to the State Comptroller directing the State Comptroller to pay all State Aid to Education directly to the Depository Fund held by the Depository Bank pursuant to the State Aid Depository Agreement, and (b) confirmation of receipt of such letter of instructions by the State Comptroller;

(xxvii) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Representative or Bond Counsel may reasonably request, including, but not limited to, an “issue price” certificate from the Representative in the form set forth in Exhibit F hereto; to evidence compliance by SIDA, the SCSD, the City and the JSCB with respect to the respective legal requirements, the respective truth and accuracy, as of the time of Closing, of SIDA’s and the JSCB’s representations herein contained (with respect to itself, the SCSD and/or the City), and the due performance or satisfaction by SIDA, the SCSD, the City and the JSCB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by SIDA, the JSCB, the City or the SCSD. All of the opinions, letters, certificates, instruments, and documents (other than those, the form of which is specifically agreed to by SIDA, the JSCB, the City, the SCSD and the Representative, as set forth in this Purchase Contract and the Exhibits hereto) shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, in the reasonable judgment of the Representative, they are satisfactory in form and substance.

If the conditions to the Underwriters’ obligations contained in this Purchase Contract are not satisfied or if the Underwriters’ obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of SIDA, the JSCB, the City, the SCSD or the Underwriters shall, except as provided in Sections 9 and 11 hereof, have

any further obligation hereunder. All obligations of SIDA hereunder are limited, non-recourse obligations of SIDA.

The performance by SIDA and the JSCB of their obligations under this Purchase Contract is conditioned upon the performance by the Underwriters of their obligations hereunder. The Series 2018A Bonds will not constitute a charge against the general credit of SIDA. The Series 2018A Bonds will be limited, special non-recourse obligations of SIDA and the principal of, interest and premium, if any, on the Series 2018A Bonds and all other charges payable pursuant to or expenses or liabilities incurred with respect to obligations hereunder or under any of the other SIDA Documents shall be payable solely from the Trust Estate and other moneys to be derived from the sale of SIDA's licensed interest in the Facilities and as otherwise provided in the Indenture, the other SIDA Documents and the State Aid Depository Agreement. No provision, covenant, representation, warranty or agreement contained in this Purchase Contract and no obligation herein imposed upon SIDA, or the breach thereof, shall constitute an indebtedness of SIDA or the State or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation, or shall constitute or give rise to a pecuniary liability of SIDA or the State or any political subdivision thereof or a charge against its general credit or taxing powers. In making the agreements, provisions, representations, warranties and covenants set forth in this Purchase Contract, SIDA has not obligated itself except with respect to the Trust Estate. SIDA and any of its officials, directors, members, officers or employees shall have no monetary liability arising out of the obligations of SIDA hereunder or in connection with any covenant, representation, warranty or agreement made by SIDA herein, and neither SIDA nor its officials, directors, members, officers or employees shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from the payments required under the Installment Sale Agreement or other moneys received from the SCSD and/or the City.

Section 8. Amendments and Supplements to Final Official Statement. The "end of the underwriting period" for the Series 2018A Bonds for all purposes of the Rule is the Closing Date. In the event the Representative requests an extension of the underwriting period, SIDA in its sole discretion may agree to or deny such request, which discretion shall not be exercised in an arbitrary or capricious manner. The "end of the underwriting period" for the Series 2018A Bonds, as used in this Purchase Contract, shall mean the Closing Date or such later date as to which SIDA has consented in accordance with the preceding sentence. During the period from the date hereof to and including a date which is 25 days following the end of the underwriting period for the Series 2018A Bonds, as determined in accordance with this Section 8, (a) SIDA will not adopt either on its own initiative or at the request or direction of the JSCB any amendment of or supplement to the Final Official Statement to which, after having been furnished with a copy, the Representative shall reasonably object in writing, unless SIDA or the JSCB has obtained the opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Final Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to a purchaser, and (b) if any event relating to or affecting SIDA, the SCSD, the City, the Facilities, the Series 2018A Project, the Program Manager, the JSCB, State Aid to Education (as such term is defined in the Final Official Statement) or the Series 2018A Bonds shall occur as a result of which it is necessary, in the opinion of Counsel to the Underwriters, to amend or supplement the Final Official Statement in order to make the Final Official Statement not misleading in the light of the circumstances



existing at the time it is delivered to a purchaser, SIDA and the JSCB shall at the SCSD's sole expense, forthwith prepare and furnish to the Representative a reasonable number of copies of an amendment of or supplement to the Final Official Statement (in form and substance satisfactory to the Representative, SIDA and the JSCB) such that the Final Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein. in the light of the circumstances existing at the time the Final Official Statement is delivered to a purchaser, not misleading. For the purpose of this Section 8, SIDA and the JSCB will each furnish such information with respect to itself as the Representative may from time to time reasonably request.

Section 9. Expenses. The Underwriters, whether or not the transactions contemplated hereby shall be consummated, shall not be under any obligation to SIDA or the JSCB to pay any expenses incident to the performance of the obligations of SIDA or the JSCB hereunder, including expenses of their respective counsel or Bond Counsel, or the expenses of the City, the JSCB, or their respective counsels, accountants or advisors. It is understood and agreed that if the Closing occurs such expenses shall be paid out of the proceeds of the sale of the Series 2018A Bonds on the Closing Date. Such expenses to be paid out of the proceeds of the Series 2018A Bonds include: (a) the cost of the preparation, printing and delivery of a reasonable number of copies of the Project Documents, the Preliminary Official Statement and the Final Official Statement, (b) the cost of the preparation of the Series 2018A Bonds, (c) the fees and disbursements of Bond Counsel and the Trustee, including the fees and disbursements of counsel to the Trustee, (d) the fees and disbursements of any consultants retained by the SCSD, the City or the JSCB, (e) the issuance fee and any administrative fee charged by SIDA, including the fees and disbursements of SIDA's counsel, (f) the Depository Bank's fees and disbursements, (g) the fees for rating the Series 2018A Bonds, (h) the State Bond Issuance Charge fee, and (i) all registration or filing fees and related costs and expenses incurred in connection with the qualification of the Series 2018A Bonds under state security laws and the preparation and printing of a blue sky survey relating to the Series 2018A Bonds. The SCSD and the City shall pay for expenses (included in the expense component of the spread) incurred on behalf of their respective employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees.

The Underwriters' compensation hereunder shall be the Underwriters' discount described in Section 1 hereof. The SCSD and the City agree to reimburse SIDA for all costs actually incurred by it to the extent of the expenses described above in the event that SIDA or the Underwriters terminate their respective obligations pursuant to the terms of this Purchase Contract to deliver and purchase the Series 2018A Bonds under this Purchase Contract.

Section 10. Notices. Any notice or other communication to be given to SIDA or the JSCB under this Purchase Contract may be given by delivering the same in writing at their respective addresses set forth above, and any such notice or other communication to be given to the Representative may be given by delivering the same in writing to Raymond James & Associates, Inc., 535 Madison Avenue - 9th floor, New York, New York 10022, Attention: Kojo Asiedu, Vice President. The approval of the Representative, when required hereunder or

the determination of its satisfaction as to any document referred to herein, shall be evidenced in writing signed by the Representative and delivered to SIDA.

Section 11. Indemnification. (a) The JSCB, on behalf of itself, the SCSD and the City (to the extent permitted by law) agrees to indemnify and hold harmless the Underwriters, the directors, officers, employees and agents of the Underwriters and each person who controls the Underwriters within the meaning of either the Securities Act or the Exchange Act (collectively, the "Underwriters Indemnified Parties") and SIDA, its officials, directors, members, officers, agents or employees (collectively, the "SIDA Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement, the Final Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each such indemnified party, as incurred, for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the JSCB will not be liable in any such case to the Underwriters Indemnified Parties to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or the Final Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to either the JSCB, the City or the SCSD by or on behalf of the Underwriters through the Representative specifically for inclusion therein. This indemnity agreement will be in addition to any liability which either of the JSCB, the City or the SCSD may otherwise have.

(b) The Underwriters agrees to indemnify and hold harmless SIDA and the JSCB, and each of their respective officials, directors, officers, employees and agents, and each person who controls the JSCB or SIDA within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the JSCB to each of the Underwriters Indemnified Parties and SIDA Indemnified Parties, but only with reference to written information relating to the Underwriters furnished to SIDA and the JSCB by or on behalf of the Underwriters through the Representative specifically for inclusion in the Preliminary Official Statement or the Final Official Statement (or in any amendment or supplement thereto). This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have. SIDA and the JSCB acknowledge that the statements set forth on the cover page regarding the delivery of the Series 2018A Bonds, the legend in block capital letters in the inside cover and the related disclosure concerning stabilization, syndicate covering transactions and penalty bids in the Preliminary Official Statement and the Final Official Statement, constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement or the Final Official Statement (or in any amendment or supplement thereto).

(c) Promptly after receipt by an indemnified party under this Section 11 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 11, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 11 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the JSCB, on behalf of itself, the SCSD and the City, and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the JSCB and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the JSCB, the SCSD and/or the School SCSD on the one hand and by the Underwriters on the other from the offering of the Series 2018A Bonds. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the JSCB, on behalf of itself, the SCSD and the City and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the JSCB, with respect to itself, the SCSD and/or the City, on the one hand and of the

Underwriters on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. In no case shall the Underwriters be responsible for any amount in excess of the purchase discount or commission applicable to the Series 2018A Bonds purchased by such Underwriters hereunder. Benefits received by the JSCB, with respect to itself, the SCSD and/or the City, shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total purchase discounts and commissions in each case set forth in the Final Official Statement under the heading, "UNDERWRITING." Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the JSCB, the SCSD and/or the City on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The JSCB and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 11, each person who controls an Underwriters within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of an Underwriters shall have the same rights to contribution as such Underwriters, and each person who controls the JSCB within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the JSCB shall have the same rights to contribution as the JSCB, the SC SD and/or the City, subject in each case to the applicable terms and conditions of this paragraph (d).

Section 12. Benefit. This Purchase Contract is made solely for the benefit of SIDA, the Underwriters, the SCSD and the City (including the successors or assigns thereof) and no other person, partnership, association, or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by SIDA, the JSCB and the Underwriters in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Series 2018A Bonds.

Section 13. Counterparts. This Purchase Contract may be executed in multiple counterparts each of which shall be regarded for all purposes as an original and shall constitute one and the same instrument.

Section 14. Survival. The representations, warranties, agreements, and indemnities of SIDA, the JSCB, with respect to itself, the SCSD and/or the City and the Underwriters contained in this Purchase Contract shall survive the Closing under this Purchase Contract and any investigation made by or on behalf of SIDA, or the Underwriters or the Representative or any person who controls the Underwriters, of any matters described in or related to the transactions contemplated hereby and by the Project Documents.

Section 15. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Purchase Contract shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements, and provisions shall in no way affect the validity or effectiveness of the remainder of this Purchase Contract, and this Purchase Contract shall continue in full force and effect to the fullest extent permitted by law.

Section 16. Governing Law. This Purchase Contract shall be governed by the laws of the State determined without regard to principles of conflict of law.

RAYMOND JAMES & ASSOCIATES,  
INC., *as Representative on behalf of itself  
and the other Underwriters*

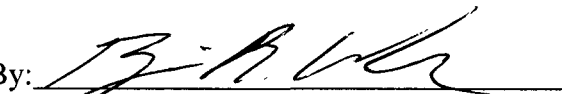
By: \_\_\_\_\_  
Kojo Asiedu , Vice President,  
Public Finance

Accepted: March 2, 2018

CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Honora Spillane, Executive Director


SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,  
*on behalf of itself the SCSD and the City*

By:   
Benjamin R. Walsh  
Mayor, City of Syracuse and  
Chair, Syracuse Joint Schools  
Construction Board

Section 15. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Purchase Contract shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements, and provisions shall in no way affect the validity or effectiveness of the remainder of this Purchase Contract, and this Purchase Contract shall continue in full force and effect to the fullest extent permitted by law.

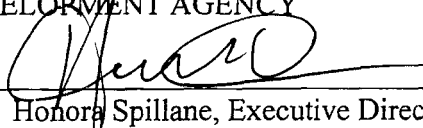
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RAYMOND JAMES & ASSOCIATES,  
INC., *as Representative on behalf of itself  
and the other Underwriters*

By:   
Kojo Asiedu, Vice President,  
Public Finance

Accepted: March 2, 2018

CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Honora Spillane, Executive Director

SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD,  
*on behalf of itself the SCSD and the City*

By: \_\_\_\_\_  
Benjamin R. Walsh  
Mayor, City of Syracuse and  
Chair, Syracuse Joint Schools  
Construction Board

SCHEDULE I

Raymond James & Associates, Inc.  
FTN Financial Capital Markets  
Loop Capital Markets  
Ramirez & Co., Inc.

EXHIBIT A  
FORM OF SUPPLEMENTAL OPINION  
OF BOND COUNSEL

[Letterhead of Bond Counsel]

March 15, 2018

City of Syracuse Industrial Development Agency  
Syracuse, New York

Raymond James & Associates, Inc.,  
as Representative of the Underwriters  
New York, New York

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

In connection with the issuance by the City of Syracuse Industrial Development Agency (the "**Agency**") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**"), which are being delivered today pursuant to a Bond Purchase Agreement, dated March 2, 2018 (the "**Purchase Agreement**") by and among the Agency, the Syracuse Joint Schools Construction Board (the "**JSCB**"), on behalf of itself, the City School District of the City of Syracuse (the "**SCSD**") and the City of Syracuse, New York (the "**City**") and Raymond James & Associates, Inc., as Representative of the Underwriters (the "**Underwriters**") named in the Official Statement, dated March 2, 2018 (the "**Official Statement**"), we have examined: (a) the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, by and between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"); (b) the Official Statement; (c) an executed copy of the Purchase Agreement; and (d) certain portions of the record of proceedings relating to the issuance and delivery of the Series 2018A Bonds.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, opinions and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered herein. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all



documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have relied, without having made any independent investigation, upon the aforesaid instruments, certificates, opinions and documents.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except to the extent set forth in the following paragraph) and make no representation that we have undertaken to determine independently the accuracy, completeness or fairness of such statements.

Based upon and subject to the foregoing, although we assume no responsibility for the accuracy or completeness of factual information contained in the Preliminary Official Statement and the Official Statement, we are of the opinion that the information contained in the Preliminary Official Statement and the Official Statement (other than financial and statistical data contained therein, as to which no opinion is expressed), under the headings "**THE SERIES 2018A BONDS**" (other than under (i) the last paragraph under the sub-heading "Redemption Procedures" and (ii) the sub-heading "Registration and Payment-Book-Entry System,") and "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS**" (except that no opinion is expressed with respect to (i) the 5<sup>th</sup> and last sentence under the sub-heading "General"; (ii) the last sentence in the first paragraph under the subheading "The Installment Sale Agreement"; (iii) the first and second sentences in the fifth paragraph under the subheading "The Indenture;" (iv) the subheading "State Aid Depository Agreement"; (v) the first and second and 5<sup>th</sup> sentences under the subheading "Timing of Payments under State Aid Trust Agreement"; and (vi) the subheading "State Aid to Education"; and in Appendices B, C, D and E to the Official Statement, insofar as such statements contained under such headings and Appendices purport to summarize certain provisions of the referenced documents, present a fair summary of such provisions, and the statements contained under the caption "TAX MATTERS" present a fair description of the matters set forth therein. Except with respect to those portions of the Official Statement described in the preceding sentence, we express no opinion as to any material, information or statistics contained in the Official Statement, including Appendices A and F thereto.

We are of the opinion that the Official Statement has been duly authorized, executed and delivered by the Agency, and that the Agency has authorized the distribution of the Preliminary Official Statement dated February 23, 2018 relating to the Series 2018A Bonds and the use of said Preliminary Official Statement and the Official Statement by the Underwriters in connection with the public offering of the Series 2018A Bonds.

We are further of the opinion that the Purchase Contract has been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery of the Purchase Contract by the other parties thereto and the enforceability of the same against such other parties, constitutes the binding agreement of the Agency, except to the extent that the enforceability of the Purchase Contract may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general principles or equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We are additionally of the opinion that the Series 2018A Bonds constitute exempted securities within the meaning of the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2018A Bonds, to register the Series 2018A Bonds under such Securities Act or to qualify the Indenture under such Trust Indenture Act.

Very truly yours,

Barclay Damon, LLP

EXHIBIT B

FORM OF OPINION OF CORPORATION COUNSEL FOR THE CITY  
ON BEHALF OF SIDA

CITY OF SYRACUSE  
CORPORATION COUNSEL

March 15, 2018

City of Syracuse Industrial  
Development Agency  
Syracuse, New York

City School District of the  
City of Syracuse  
Syracuse, New York

Barclay Damon, LLP  
Syracuse, New York

Raymond James & Associates, Inc., as  
Representative of the Underwriters  
New York, New York

City of Syracuse  
Syracuse, New York

Manufacturers and Traders Trust Company,  
as Trustee  
Buffalo, New York

Syracuse Joint Schools Construction Board  
Syracuse, New York

Re: \$67,265,000 City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

Ladies and Gentlemen:

We have acted as counsel to the City of Syracuse Industrial Development Agency (the "**Agency**"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York, in connection with: (a) the issuance and sale by the Agency of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**") as described and contemplated by the Bond Purchase Agreement, dated March 2, 2018 (the "**Purchase Contract**"), among the Agency, Raymond James & Associates, Inc., as Representative of the Underwriters and the Syracuse Joint Schools Construction Board (the "**JSCB**"), on behalf of itself, the City School District of the City of Syracuse (the "**SCSD**") and the City of Syracuse (the "**City**"); and (b) in connection therewith, the preparation and/or execution and delivery by the Agency of the following:

(A) the resolution adopted by the members of the Agency on January 16, 2018 (the "**Approving Resolution**"), authorizing the Series 2018A Bonds for the purpose of financing a

portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds;

(B) the Series 2018A Bonds;

(C) the Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, among the Agency, the City and the SCSD (the "***Amendatory License***"), amendatory of a License Agreement (Series 2008 Project), dated as of March 1, 2008, as previously amended by a First Amendment to the License Agreement dated as of December 1, 2010, (Series 2010 Project) a Second Amendatory License Agreement dated as of July 1, 2011, and a Third Amendatory License Agreement dated as of April 1, 2017 each among the City, the SCSD and the Agency (collectively, the "***License***").

(D) Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, (the "***Fifth Amended Agreement***"), amendatory of a certain Installment Sale Agreement (Series 2008A Project), dated as of March 1, 2008 (the "***Original Agreement***") as previously amended by Amendment No. 1 to Agreement dated as of March 1, 2009 (the "***First Amended Agreement***"); by Amendment No. 2 to Agreement ("***Series 2010 Project***") dated as of December 1, 2010 (the "***Second Amended Agreement***"); by Amendment No. 3 to Agreement ("***Series 2011 Project***") dated as of July 1, 2011 (the "***Third Amended Agreement***"); and by Amendment No. 4 to Agreement ("***Series 2017 Project***") dated as of April 1, 2017 (the "***Fourth Amended Agreement***" and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, and the Fourth Amended Agreement, collectively, the "***Installment Sale Agreement***" as same may further be amended or supplemented from time to time), each between the Agency, the City, the SCSD and the JSCB.

(E) an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "***Indenture***"), between the Agency and Manufacturers and Traders Trust Company, as trustee (the "***Trustee***");

(F) a Pledge and Assignment, dated as of March 1, 2018 (the "***Pledge and Assignment***"), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

(G) a Tax Certificate, dated the Closing of the Bonds (the "***Tax Certificate***") executed by the Agency;

(H) the Purchase Contract;

(I) a Preliminary Official Statement, dated February 23, 2018 (the "***Preliminary Official Statement***"), and Official Statement, dated March 2, 2018 (the "***Official Statement***"), each relating to the Series 2018A Bonds;

The Series 2018A Bonds, the License, the Installment Sale Agreement, the Indenture, the Pledge and Assignment, the Tax Certificate, the Purchase Contract, the Preliminary Official Statement and the Official Statement are collectively referred to as the “*Agency Documents*.”

Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

We have, as counsel to the Agency, examined original or certified copies of the proceedings of the Agency taken with respect to the Agency Documents, as well as certificates of the Agency's members, a certified copy of the Bond Resolution, specimen bonds and executed counterparts of the Agency Documents. We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinions.

In our examination, we have assumed the genuineness of all signatures (other than those of the Agency), the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Agency have been duly executed and delivered by said other person or persons and that said documents, to the extent they create obligations, constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon our examination of the foregoing, and in reliance upon the matters and subject to the limitations contained in the concluding paragraphs of this opinion, we are of the opinion (except that no opinion is given with respect to any federal or state securities law or any law concerning zoning or subdivision matters or as to the law of any jurisdiction other than the State of New York) that:

1. The Agency is a corporate governmental agency constituting a public benefit corporation duly established and validly existing under Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended, and Chapter 641 of the Laws of 1979 of the State, as amended (collectively, the "Act").

2. Under the Act, it is the purpose of the Agency to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing, among others, industrial, manufacturing, warehousing, commercial and research facilities, and the Agency has the power to acquire, hold and dispose of real and personal property for its corporate purposes. Under Chapter 5 Part A-4 of the Laws of 2006 of the State (the “*Syracuse Schools Act*”), the Series 2018A Project undertaken pursuant to the Syracuse Schools Act constitutes a qualified “project” under the Act, which the Agency may finance and in which it may have a license interest. In accordance with the Act, the Agency has determined to issue its Bonds pursuant to the Indenture.

3. The members and officers of the Agency identified in the Agency's general certificate delivered on this date to the Trustee have been duly appointed as such members (and/or duly elected by the members as such officers) and, to the best of our knowledge, are qualified to serve as such.

4. The Agency has power and lawful authority under the Act to execute and deliver the Agency Documents; to issue its Bonds and appoint the JSCB as its agent to complete the Series 2018A Project; to sell its interest in and to the Facilities to the City and the SCSD pursuant to the Installment Sale Agreement; and to perform and observe the provisions of the Agency Documents and the Bonds on its part to be performed and observed.

5. The Bond Resolution has been duly adopted by the members of the Agency, complies with the procedural rules of the Agency and the requirements of the laws of New York, and the Bond Resolution has not been supplemented, amended, or repealed and remains in full force and effect on the date hereof.

6. By the Bond Resolution, the Agency has duly authorized the issuance of the Bonds and the execution and delivery of the Agency Documents.

7. The Agency has the right and power to execute, where applicable, and deliver the Agency Documents, each of which (other than the Preliminary Official Statement) has been duly authorized, executed and delivered by or on behalf of the Agency, is in full force and effect, and (other than the Preliminary Official Statement and the Final Official Statement) is a legal, valid and binding obligation of the Agency and is enforceable against the Agency in accordance with its terms.

8. The making and performance by the Agency of the Agency Documents and the consummation of the transactions on the part of the Agency therein contemplated will not violate any applicable provision of the Act or any other law, regulation, decree, writ, order or injunction applicable to the Agency, and will not contravene the provisions of or constitute a default under any material term of any agreement, indenture, or other instrument to which the Agency is a party or by which the Agency is bound.

9. No additional or further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body not already obtained is required for the making and performance by the Agency of the Agency Documents or for the performance by the Agency of the transactions contemplated thereby.

10. There is no action, suit, proceeding or investigation at law or in equity by or before any court, public board or body pending, or, to the best of our knowledge, threatened against or affecting the Agency, wherein an unfavorable decision, ruling or finding would affect the transactions contemplated by the Agency Documents or the validity or the enforceability of any of the Agency Documents.

11. No legislation has been enacted by the Legislature of the State of New York which in any way adversely affects the issuance or delivery of the Series 2018A Bonds or the payment, collection or application of the proceeds thereof or the moneys and securities pledged or to be pledged under the Indenture, or the creation, organization or existence of the Agency or the title to office of any officers thereof, or the power of the Agency to acquire a license interest in, reconstruct, rehabilitate, equip, install, sell or assign the Facilities referred to in the Indenture..

11. We have no reason to believe and nothing has come to our attention that would lead us to believe that, as of the date of the Final Official Statement and as of the date hereof, the

information contained in the Final Official Statement under the headings “THE ISSUER” and “NO LITIGATION” (but only with regard to the Agency) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

We express no opinion with respect to: (A) title to all or any portion of the Facilities; (B) the priority of any liens, charges, security interests or encumbrances affecting the Facilities or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Facilities, or the priority of any such lien, charge, security interest or encumbrance); (C) any laws, regulations, judgments, permits or orders with respect to the requirement of filing or recording of any of the Agency Documents; or (D) the laws of any jurisdiction other than the State of New York and the United States of America.

This opinion is rendered as of the date hereof, and no opinion is expressed as to matters referred to herein on any subsequent date.

Very truly yours,

EXHIBIT C

FORM OF OPINION OF CORPORATION COUNSEL FOR THE CITY  
ON BEHALF OF THE CITY AND SCSD

CITY OF SYRACUSE  
CORPORATION COUNSEL

March 15, 2018

To: City of Syracuse Industrial Development Agency

Manufacturers and Traders Trust Company,  
as Trustee and Depository Bank

Barclay Damon, LLP

Raymond James & Associates, Inc., as Representative of the Underwriters

City School District of the City of Syracuse

City of Syracuse

Syracuse Joint Schools Construction Board

Re: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

I am Corporation Counsel of the City of Syracuse (“the City”) and I serve as counsel to the City and to the City School District of the City of Syracuse (“the SCSD”).

In connection with the above-entitled issuance and sale by the City of Syracuse Industrial Development Agency (“SIDA”) of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the “Series 2018A Bonds”), I have been requested to state my opinion as to certain matters referred to below. For that purpose I have reviewed the following documents (documents 1 through 11 below being referred to as the “SCSD Documents”; and each of documents listed below executed by the City collectively being referred to as “the City Documents”; and documents 1 through 12 below being referred to as the “Project Documents”).



1. The Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement"), and the final Official Statement dated March 2, 2018 with respect to the offering and sale of the Series 2018A Bonds (to be executed by SIDA, the SCSD and the City (the "Official Statement")).

2. The Purchase Contract, dated March 2, 2018, relating to the sale of the Series 2018A Bonds among the Syracuse Joint Schools Construction Board (the "JSCB"), on behalf of itself, the SCSD and the City, SIDA and Raymond James & Associates, Inc., as Representative of the Underwriters named therein (the "Purchase Contract").

3. The Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 between the City and the SCSD, as Lessors, and SIDA, as Lessee. (the "License Agreement").

4. The Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1, dated as of July 1, 2009, and as further amended by Amendment No. 2 to the Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010, Amendment No. 3 to the Installment Sale Agreement (Series 2011 Project), dated as of July 1, 2011, Amendment No. 4 to the Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017, and Amendment No. 5 to the Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, and among SIDA, the SCSD, the City and the JSCB (the "Installment Sale Agreement").

5. The Pledge and Assignment, dated as of March 1, 2018 (the "***Pledge and Assignment***"), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

6. The Continuing Disclosure Agreement among the City, the JSCB, the SCSD, and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), dated as of March 1, 2018, for the Series 2018A Bonds.

7. The State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "State Aid Depository Agreement") among the SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank.

8. The Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011, and as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, from the SCSD and the City to SIDA.

9. Letter of Instruction dated as March 12, 2008, from the Commissioner of Finance of the City and the SCSD to the State Comptroller in relation to payment of State Aid to Education to the Depository Bank.

10. The Arbitrage and Use of Proceeds Certificate from the SCSD, the City and the JSCB, dated the date hereof.

11. The Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "Indenture") between SIDA and Manufacturers and Traders Trust Company, as trustee (the "Trustee").

In rendering this opinion, I have also reviewed: (a) Chapter 58, Part A-4 of the Laws of 2006 of the State of New York, as amended ("the Syracuse Schools Act"); (b) Ordinance No. 831-2017 of the Common Council of the City of Syracuse adopted on October 10, 2017; (c) Resolution #0917-047 of the Board of Education adopted on September 27, 2017, authorizing the SCSD Documents; and (d) Resolution No. 133 of 2017 adopted by the JSCB on September 28, 2017 (items (b), (c) and (d) being collectively referred to hereinafter as the "Approving Resolutions.").

In rendering this opinion, I have further reviewed and relied upon a certificate of the President of the Board of Education and Superintendent of the SCSD, in respect to compliance by the SCSD with the requirements of the New York Education Law and the regulations of the New York Department of Education for state building aid and operating aid to the SCSD.

All capitalized terms used in this opinion and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

Subject to the foregoing, it is my opinion that:

1. The SCSD is a duly organized and validly existing school district of the State of New York, and has all requisite power and authority to conduct its business as described in the Official Statement, the Purchase Contract and the other SCSD Documents, and to consummate the transactions contemplated by the SCSD Documents and the other Project Documents, and to execute, deliver and perform its obligations under the SCSD Documents.

2. The City is a duly organized and validly existing municipal corporation of the State of New York, and has all requisite power and authority to conduct its business as described in the Official Statement and the City Documents, and to consummate the transactions contemplated by the City Documents and the other Project Documents, and to execute, deliver and perform its obligations under the City Documents.

3. Each of the SCSD Documents and the City Documents conform in all material respects to the descriptions thereof contained in the Official Statement.

4. Each of the SCSD Documents has been duly authorized, executed and delivered by the SCSD. Assuming the due and valid execution and delivery of the SCSD Documents by the other parties thereto (other than the City), each of the SCSD Documents is the legal, valid and binding obligation of the SCSD, enforceable against the SCSD in accordance with its terms, except to the extent that the enforceability thereof may be limited or otherwise affected by (A) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and

remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith. Each of the City Documents has been duly authorized, executed and delivered by the City. Assuming the due and valid execution and delivery of the City Documents by the other parties thereto (other than the SCSD), each of the City Documents is the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that the enforceability thereof may be limited or otherwise affected by (A) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

5. Each of the Approving Resolutions was duly adopted by the Common Council of the City, the Board of Education of the SCSD or the JSCB, as appropriate.

6. No event of default or event which, with notice or lapse of time or both, would constitute an event of default or a default under any of the SCSD Documents or City Documents has occurred and is continuing.

7. The Series 2018A Project, as described in the Official Statement, constitutes "educational facilities" of the SCSD and a "project" in compliance with the Syracuse Schools Act.

8. Based upon the above-mentioned officer certificate of the SCSD, and to the best of my knowledge after due and diligent inquiry, the SCSD is in compliance with the material rules, regulations and other requirements of the State Education Department in connection with State Aid to Education revenues to the SCSD and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such requirements, such that State Aid to Education revenues could be impaired.

9. The execution and delivery of the SCSD Documents by the SCSD and the consummation of the transactions therein contemplated and compliance with the provisions thereof (i) do not constitute a violation of any provision of law, any order, regulation or decree of any court or agency of government, indenture, mortgage, deed, trust agreement or other instrument known to me after due inquiry to which the SCSD is a party or any of its respective property is subject or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument.

10. The execution and delivery of the City Documents by the City and the consummation of the transactions therein contemplated and compliance with the provisions thereof (i) do not constitute a violation of any provision of law, any order, regulation or decree of any court or agency of government, indenture, mortgage, deed, trust agreement or other

instrument known to me after due inquiry to which the City is a party or any of its respective property is subject or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument.

11. The SCSD has duly authorized the taking of any and all action necessary at the date hereof to carry out and give effect to the transactions contemplated to be performed on its part by the SCSD Documents as of the date of this letter.

12. The City has duly authorized the taking of any and all action necessary at the date hereof to carry out and give effect to the transactions contemplated to be performed on its part by the City Documents as of the date of this letter.

13. To my best knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity with respect to the SCSD by or before any court, public board or body, pending or threatened against or affecting the SC SD, wherein an unfavorable decision, ruling or finding on an issue raised by a party thereto would materially adversely affect (i) the transactions contemplated by, or the validity or enforceability of, any of the Project Documents, or (ii) except as is set forth in the Official Statement, the financial condition of the SCSD.

14. To my best knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity with respect to the City by or before any court, public board or body, pending or threatened against or affecting the City, wherein an unfavorable decision, ruling or finding on an issue raised by a party thereto would materially adversely affect (i) the transactions contemplated by, or the validity or enforceability of, any of the Project Documents, or (ii) except as is set forth in the Official Statement, the financial condition of the City.

15. All consents, approvals, confirmations or authorizations, if any, of any governmental authority required on the part of the SCSD in connection with the execution and delivery by the SCSD of the SCSD Documents have been duly obtained.

16. All consents, approvals, confirmations or authorizations, if any, of any governmental authority required on the part of the City in connection with the execution and delivery by the City of the City Documents have been duly obtained.

17. I have reviewed the information in the Official Statement and I have no reason to believe and nothing has come to my attention which leads me to believe that the information contained under the headings "INTRODUCTION," "THE PROGRAM," "PROGRAM PARTICIPANTS," and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS," and the information with respect to the SCSD and the City under the caption "NO LITIGATION" contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. I am not called upon to confirm and do not express any opinion as to the accuracy of any other matters in the Official Statement, including without limitation the financial information and other matters included in Appendix A to the Official Statement, and any other financial, technical or statistical data included in the Official Statement or any Appendix thereto.

18. The Syracuse Schools Act is in full force and effect, is enforceable as to the Series 2018A Project (as defined in the Official Statement), and has not been amended, modified, repealed or rescinded.

19. The above-cited ordinance adopted by the Common Council of the City and approved by the Mayor has been duly and validly authorized by the Common Council and is binding on the City, is in full force and effect, and has not been amended, modified, repealed or rescinded.

20. The above-cited resolution adopted by the Board of Education has been duly and validly authorized by the Board of Education and is binding on the SCSD, is in full force and effect, and has not been amended, modified, repealed or rescinded.

21. Pursuant to the Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, the City and the SCSD have vested SIDA with a valid licensed interest in the Facilities.

Only the parties to whom this opinion is addressed and their counsel may rely on this opinion. This opinion speaks only as of the date hereof and is limited to present laws and regulations and the facts as they currently exist and have been represented to me. I assume no obligation to revise, update or supplement this opinion.

Very truly yours,

Corporation Counsel

EXHIBIT D

OPINION OF COUNSEL TO THE PROGRAM MANAGER

March 15, 2018

City of Syracuse Industrial Development Agency  
Syracuse, NY

Manufacturers and Traders Trust Company,  
as Trustee  
Buffalo, NY

City School District of the City of Syracuse  
Syracuse, NY

Syracuse Joint Schools Construction Board  
Syracuse, NY

City of Syracuse  
Syracuse, NY

Barelay Damon, LLP  
New York, NY

Raymond James & Associates, Inc.,  
as Representative of the Underwriters  
New York, NY

Re: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

I am an in-house senior counsel with the Legal Department of Turner Construction Company (the "Company") and assisted the Company regarding the execution and delivery by the Company of a Program Manager Agreement, dated August 28, 2015, between the Syracuse Joint Schools Construction Board ("JSCB") and the Company (the "Program Manager Agreement").

This letter is being delivered to you at your request.

The opinions and confirmations set forth in this letter, whether or not qualified by the phrase "to our knowledge," are subject to the following qualifications:

1. The opinions and confirmations set forth in this letter are based solely upon (a) our review of, as submitted to us, (i) the Program Manager Agreement, (ii) the Certificate of Incorporation, Authority to Do Business, and the By-Laws of the Company, (iii) evidence of incumbency of officers and directors of the Company, (iv) evidence of the corporate proceedings of the Company relating to the transactions contemplated by the Program Manager Agreement, and (v) the governmental certificates identified on Exhibit A attached to this letter (individually a "Governmental Certificate") (items (a)(i) through (a)(v) being collectively the "Reviewed Documents"), (b) the actual knowledge of those of our present employees who have had primary responsibility for reviewing and negotiating the Program Manager Agreement on behalf of the Company (collectively the "Attorney Information"), and (c) such review of published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (a) any of the files and other records of the Company or any court or other governmental authority or (b) any of our files).

2. We do not express any opinion concerning any law other than the Business Corporation Law of the State of New York and the federal law of the United States.

3. The enforceability of the Program Manager Agreement against the Company may be limited or otherwise affected by (a) any bankruptcy, insolvency, reorganization, receivership, moratorium, marshaling, arrangement, assignment for benefit of creditors, fraudulent transfer, fraudulent conveyance or other statute, rule, regulation or other law affecting the rights and remedies of creditors generally, and (b) any general principle of equity, whether applied by a court of law or equity, (including, but not limited to, any principle (i) governing the availability of specific performance, injunctive relief or any other equitable remedy that is subject to the discretion of a court, (ii) affording any equitable defense, (iii) requiring good faith, fair dealing and reasonableness in the performance and enforcement of a contract by a party seeking the enforcement of such contract, (iv) requiring consideration of the materiality of a breach of a contract by a party against whom or which the enforcement of such contract is sought and consideration of the consequences of such breach to a party seeking such enforcement, (v) requiring consideration at the time the enforcement of a contract is attempted of the impracticality or impossibility of the performance of such contract or (vi) affording any defense to the enforcement of a contract based upon the unconscionability of the conduct after such contract has been entered into of a party seeking such enforcement).

Subject to the qualifications set forth in this letter, it is our opinion that:

1. The Company is a corporation validly existing under the Law of the State of New York.
2. The Company has the corporate power under the Business Corporation Law of the State of New York and the Certificate of Incorporation and the By-Laws of the Company to execute, deliver and perform the Program Manager Agreement.
3. The execution, delivery and performance by the Company of the Program Manager Agreement has been duly authorized by all corporate action of the Company necessary under the Business Corporation Law of the State of New York and the Certificate of Incorporation and the By-Laws of the Company.
4. The Program Manager Agreement has been duly executed and delivered by the Company.
5. The Program Manager Agreement is enforceable against the Company.
6. The execution, delivery and performance by the Company of the Program Manager Agreement does not (a) violate the Certificate of Incorporation or the By-Laws of the Company or (b) assuming the non-existence of any judgment, decree or order of any court or other governmental authority that would be violated by such execution, delivery and performance. (i) violate the Business Corporation Law of the State of New York or any statute, rule or regulation of the State of New York, or any United States federal statute, rule or regulation, that in our experience is normally applicable to transactions of the type contemplated by the Program Manager Agreement. (ii) require under the Business Corporation Law of the State of New York, or any such federal statute, rule or regulation as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any court or other governmental authority of the State of New York or any United States federal court or other United States federal governmental authority or (iii) to our knowledge, require as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any non-governmental entity.
7. The Company is (a) in good standing in the State of New York and (b) authorized to do business as a foreign corporation in the State of New York
8. To our knowledge, there is not pending against the Company before any court or other governmental authority or arbitrator or overtly threatened against the Company any action or proceeding that seeks to render the Program Manager Agreement invalid or unenforceable or that would materially adversely affect the ability of the Company to perform its obligations thereunder.
9. To our knowledge, there is no judgment, decree or order of any court or other governmental authority that names the Company and either renders the Program Manager Agreement invalid or unenforceable or would be violated by the execution, delivery and performance by the Company of the Program Manager Agreement.



10. To our knowledge, no action has been taken to authorize the termination of the existence of the Company.

This letter is intended solely for your benefit with respect to the Program Manager Agreement and, without our express written consent, may not be furnished to or relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with the Program Manager Agreement, except that this letter may be referred to in the Preliminary Official Statement and the Official Statement for the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A and a copy of this letter may be included in any set of closing documents produced in connection with the issuance of such bonds.

Very truly yours,

EXHIBIT E  
FORM OF OPINION OF  
COUNSEL TO THE JSCB

March 15, 2018

Syracuse Industrial Development Agency

Manufacturers and Traders Trust Company,  
as Trustee and Depository Bank

Barclay Damon, LLP

Raymond James & Associates, Inc., as Representative of the Underwriters

City School District of the City of Syracuse  
City of Syracuse

Re:     \$67,265,000  
       City of Syracuse Industrial Development Agency  
       School Facility Revenue Bonds  
       (Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

We have acted as counsel to the Joint Schools Construction Board ("JSCB") in relation to the above-entitled financing for the purpose of (i) financing a portion of the costs of the Series 2018A Project; (ii) refinancing at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) funding capitalized interest for the Series 2018A Project; and (iv) financing certain costs of issuance of the Series 2018A Bonds (collectively, the "Series 2018A Project") for a comprehensive program ("the Program") for the development of the educational facilities of the Syracuse City School District ("the SCSD"). In that capacity, we have been requested to state our opinion as to certain matters referred to below. In the course of our representation of the JSCB, we have made all necessary inquiries of representatives of JSCB authorized to make representations on behalf of the SCSD and the City of Syracuse (the "City"), and having knowledge of the Series 2018A Project and the transaction contemplated by the following documents. For that purpose, we have reviewed the following documents to which the JSCB is a party:

(a) The Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1, dated as of July 1, 2009, and as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010 and by Amendment No. 3 to Installment Sale Agreement (Series 2011 Project), dated as July 1, 2011 and by Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as April 1, 2017 and by Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as March 1, 2018 (collectively, the "Installment Sale Agreement"), among Syracuse Industrial Development Agency ("SIDA") and the City, the SCSD and the JSCB.

(b) The Pledge and Assignment, dated as of March 1, 2018 (the "***Pledge and Assignment***"), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

(c) The State Aid Depository Agreement, dated as of March 1, 2008, as amended by First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "State Aid Depository Agreement"), among the SCSD, Manufacturers and Traders Trust Company, as "Trustee", Manufactures and Traders Trust Company, as depository, the City and the JSCB.

(d) The resolution of the JSCB authorizing the execution, delivery and performance of the Bond Documents and directing that its authorized officer do and cause to be done any such other acts and things as he or she determines may be necessary or desirable to consummate the transactions contemplated by the bond documents, including determining that the cost to the taxpayers of the City of Syracuse and State of New York of the above-entitled financing through SIDA is less than the cost would be if the financing of the Project were effected by the New York State Municipal Bond Bank Agency.

(e) The Tax Certificate.

(f) The Purchase Contract, dated March 2, 2018 among Raymond James & Associates, as Representative of the Underwriters (the "Underwriters"), and the JSCB, on behalf of itself, the City and the SCSD, and SIDA (the "Purchase Contract").

(g) The Continuing Disclosure Agreement, dated as of March 1, 2018, between the JSCB, on behalf of the City and the SCSD, and the Trustee (the "Continuing Disclosure Agreement").

(h) The Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement"), and the final Official Statement dated March 2, 2018 with respect to the offering and sale of the Series 2018A Bonds (to be executed by SIDA and the JSCB (the "Official Statement").

(i) The Syracuse Joint School Construction Agreement, dated as of April 1, 2004 (the "JSCB Agreement"), between the City and the SCSD.

(j) The Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the "Indenture") between SIDA and Manufacturers and Traders Trust Company, as trustee (the "Trustee").

(k) The Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, and as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011, and as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018 from the SCSD and the City to SIDA.

The JSCB is an inter-municipal board created by an ordinance of the City to assist in the planning and development of the Program. It has been assigned additional functions by Chapter 58, part 4-A of the Laws of 2006 of the State of New York, as amended (the "Syracuse Schools Act").

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

Subject to the foregoing, it is our opinion that:

1. The JSCB is a validly existing inter-municipal board and has all requisite power and authority to adopt the Resolution and to execute, deliver and perform its obligations under the JSCB Documents.

2. The Resolution was duly adopted by the JSCB at a meeting held on September 27, 2017.

3. The Installment Sale Agreement, the Tax Certificate, the Purchase Contract and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by the JSCB. Assuming the due and valid execution and delivery by the other parties thereto, and assuming each to be a legal, valid and binding obligation of the SCSD (as to which we refer you to the opinion of the Corporation Counsel of the SCSD, and express no independent opinion), each of the Installment Sale Agreement, the Continuing Disclosure Agreement, the Tax Certificate Agreement and the Purchase Contract are the legal, valid and binding obligations of the JSCB, enforceable against the JSCB in accordance with their respective terms.

4. The Series 2018A Project is not within the type of actions or classes of actions identified by the New York State Department of Environmental Conservation under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law, which will in almost every instance have a significant effect on the environment and are therefore likely to require the preparation of environmental impact statements.

We express no opinion with respect to the effect of any law other than the law of the State of New York.

This opinion letter has been prepared, and is intended to be construed, in accordance with the customary practice of lawyers who regularly give, and lawyers who regularly advise opinion recipients concerning, opinions of the type contained herein.

Only the parties to whom this opinion is addressed and their counsel may rely on this opinion. This opinion speaks only as of the date hereof and is limited to present laws and regulations and the facts as they currently exist and have been represented to us. We assume no obligation to revise, update or supplement this opinion.

Yours very truly,

TRESPASZ & MARQUARDT, LLP

EXHIBIT F

\$67,265,000

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A

CERTIFICATE OF THE REPRESENTATIVE REGARDING ISSUE PRICE

Raymond James & Associates, Inc., as representative (the "*Representative*") of the Underwriters (as defined below) named in the bond purchase agreement (the "*Bond Purchase Agreement*") entered into March 2, 2018, by and among the Representative on behalf of itself and the Underwriters named therein, Syracuse Joint Schools Construction Board, the City School District of the City of Syracuse, the City of Syracuse and the City of Syracuse Industrial Development Agency and in connection with the sale and issuance by SIDA of the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A in the aggregate principal amount of \$67,265,000 (the "*Bonds*") being issued on March 15, 2018, hereby certifies and represents on behalf of itself and such other Underwriters the following:

Issue Price.

1. The Underwriters offered each Maturity (as defined below) of the Bonds to the Public (as defined below) for purchase at the initial offering price or yield listed in Schedule A (the "*Initial Offering Prices*") attached to this certificate on or before the Sale Date (as defined below). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

2. As of the Sale Date, except for the [List of Undersold Maturities] (the "*Undersold Maturities*"), the price at which the first 10 percent of each Maturity of the Bonds was sold by the Underwriters to the Public is set forth on Schedule A.

3. Following the Sale Date, with respect to the Undersold Maturities, the Underwriters have neither offered nor sold the bonds comprising the Undersold Maturities to the Public at a price that is higher or a yield that is lower than the Initial Offering Price during the Holding Period for the Bonds (the "*hold-the-offering-price rule*").

4. The agreement among underwriters, each selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the Representative that the first 10 percent of such Maturity of the Bonds was sold to the Public and (B) with respect to the Undersold Maturities, comply with the hold-the-offering-price rule, as described in clause (3) above, if and for so long as directed by the Representative and as set forth in the related pricing wires.

4. The agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains language obligating each Underwriter that

is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the Underwriter that the first 10 percent of such Maturity of the Bonds was sold by the Underwriters to the Public and (B) with respect to the Undersold Maturities, if any, comply with the hold-the-offering-price rule, as described in clause (3) above, if and for so long as directed by the Representative and as set forth in the related pricing wires.

#### Defined Terms.

*Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (March 2, 2018), or (ii) the date on which the Underwriters have sold at least 10% of each maturity of the Bonds to the Public at prices that are no higher or yields that are no lower than the Initial Offering Price of the Bonds

*Issuer* means City of Syracuse Industrial Development Agency.

*Maturity* shall refer to Bonds with the same maturity date, interest rate and credit and payment terms.

*Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

*Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 2, 2018.

*Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the Bonds, and by Barclay Damon LLP, in connection with its opinion as to the exclusion of interest on the Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Representative is certifying only as to facts in existence on the date hereof. Nothing herein represents the Representative's interpretation of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of March, 2018.

**RAYMOND JAMES & ASSOCIATES, INC.,** as  
Representative

By: \_\_\_\_\_  
Its: \_\_\_\_\_



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**BLUE SKY SURVEY**

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**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds,**  
**(Syracuse City School District Project) Series 2018A**

February 23, 2018

In connection with the proposed sale by the Underwriters of \$67,120,000\* City of Syracuse Industrial Development Agency School Facility Revenue Bonds, (Syracuse City School District Project) Series 2018A (the "Bonds"), this survey has been prepared which indicates, in summary form, the jurisdictions in which the Bonds may be sold by the Underwriters and other dealers or brokers in compliance with the "blue sky" or securities laws of such jurisdictions.

We have prepared this survey as attorneys admitted to practice in the State of New York and we do not purport to be experts in the laws of the other jurisdictions involved. Our survey is based upon an examination of the statutes and regulations, if any, of the various jurisdictions as reported in standard compilations customarily relied upon in this connection. We have also relied upon interpretive advice obtained from administrative authorities in certain instances and upon information set forth in the official statement relating to the Bonds, in the form initially distributed to the public. We have not, however, obtained special rulings of the securities commissions or other administrative bodies or officials charged with the administration of the respective securities or "blue sky" laws, nor have we obtained opinions of local counsel.

This survey does not purport to cover the requirements under any of the laws of the jurisdictions enumerated herein or under Federal law with respect to the registration or licensing of dealers, brokers or salesmen, the form or substance of advertising or the legality of investments in the Bonds by any institutional investor which is subject to statutory or other restrictions as to its investments.

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\* Preliminary, subject to change

The statements made or conclusions expressed herein are subject to change upon the exercise of broad discretionary powers vested by statute in securities commissions and other authorities, authorizing such commissions or authorities to withdraw or deny the exempt status offered by statute or by administrative interpretations thereof to a particular class of securities, to require additional information, to issue stop orders, to revoke or suspend permits where they have been granted, to refuse registration, or to impose additional requirements or restrictions in respect of any offering of securities.

Very truly yours,

HARRIS BEACH PLLC

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds,**  
**(Syracuse City School District Project) Series 2018A**

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**BLUE SKY SURVEY**

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This survey furnishes information as to offers to sell and sales which may be made under the so-called Blue Sky or securities statutes of all States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the Territory of Guam. The term "offers" as used herein refers to offers to sell and solicitations of offers to buy, whether made orally or through written material, but does not include newspaper advertisements, about which no information is furnished herein.

**PART I**

**OFFERS AND SALES TO THE PUBLIC**

**A.**

The Bonds may be offered and sold to the general public in the following jurisdictions without registration or other filings under the Blue Sky or securities statutes of such jurisdictions, subject to the specific requirement that the sellers, unless otherwise noted, must be registered or licensed as dealers or brokers therein:

|                         |                    |                    |
|-------------------------|--------------------|--------------------|
| Alabama (1)             | Kansas (1)         | Ohio (8)           |
| Alaska (1)              | Kentucky (1)       | Oklahoma (1)       |
| Arizona                 | Louisiana (6)      | Oregon (1)         |
| Arkansas (1)            | Maine              | Pennsylvania (9)   |
| California (1)          | Maryland (1)       | Puerto Rico (1)    |
| Colorado (1)            | Massachusetts (1)  | Rhode Island       |
| Connecticut (2)         | Michigan (1)       | South Carolina (1) |
| Delaware (1)            | Minnesota          | South Dakota       |
| District of<br>Columbia | Mississippi (1)    | Tennessee (1)      |
| Florida (3)             | Missouri (1)       | Texas              |
| Georgia (1)             | Montana            | Utah (1)           |
| Guam (1)                | Nevada             | Vermont            |
| Hawaii (4)              | New Jersey (7)     | Virginia (1)       |
| Idaho (1)               | New Mexico         | Washington         |
| Illinois (5)            | New York           | West Virginia (1)  |
| Indiana (1)             | North Carolina (1) | Wisconsin          |
| Iowa                    | North Dakota       | Wyoming (10)       |

**Footnotes to Section A of Part I.**

- (1) Banks are not required to be registered as dealers or brokers under the laws of such state.
- (2) State bank and trust companies, national banking associations, savings banks, savings and loan associations, federal savings and loan associations, credit unions, federal credit unions, or trust companies are not required to be registered as broker-dealers under the laws of such state.
- (3) Provided that if there has been a default as to payment of principal or interest, since December 31, 1975, on any obligation of the issuer or a successor to the issuer or any guarantor or any successor to the guarantor of the Bonds, there has been and will be "full and fair disclosure," as prescribed by the Florida Department of Banking and Finance, of such default in any offering literature, including the Preliminary Official Statement, if any.
- (4) Depository institutions are not required to be registered as broker-dealers under the laws of such state.
- (5) Banks organized under the banking laws of Illinois or the United States and trust companies organized under the laws of Illinois are not required to be registered as dealers under the laws of such state.
- (6) Banks chartered, issued a certificate of authority and supervised by the Louisiana Commissioner of Financial Institutions, national banks chartered and supervised by the United States, and bank holding companies organized under the laws of Louisiana and supervised by the United States and bank holding companies organized under the laws of Louisiana and supervised by the United States are not required to be registered as dealers.
- (7) Provided that neither the issuer nor any guarantor is in default as to principal or interest with respect to an obligation issued by the issuer or a successor of the issuer or an obligation guaranteed by the guarantor or a successor to the guarantor.
- (8) Provided that if at the time of the first sale there is no litigation threatening the validity of the Bonds, Banks or credit unions organized under the laws of Ohio or the United States are not required to be registered as dealers for sales to persons other than institutional investors, provided that the profit to such sellers on sales of the Bonds does not exceed two percent of the total sale price of the Bonds.
- (9) Provided that if the Bonds constitute less than a general obligation of the issuer, appropriate language denoting the issuer's limited obligation must prominently appear in bold face type on the face page of any advertising material or sales literature, including the Official Statement. A bank, when effecting transactions for its own account or for the purchase or sale of Securities for (other than as trustee) the account of the purchaser or seller thereof is not required to be registered as a broker-dealer.
- (10) A bank, savings institution, or trust company, engaging in securities transaction limited to trust or banking functions and not with the general public.

**B.**

No action has been taken to register or qualify the Bonds, or to establish an exempt status therefor, for sale to the public in the following jurisdiction(s):

Nebraska

New Hampshire

## PART II

### EXEMPT TRANSACTIONS

Offers and sales of the Bonds may be made to the institutions or persons noted below in the following jurisdictions without regard to the securities registration or other filing requirements of the Blue Sky or securities statutes of such jurisdictions and without the seller being registered or licensed in such jurisdiction as brokers or dealers, except as otherwise indicated:

- Alabama To any bank, savings institution, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Alaska<sup>(1)</sup> To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Arizona A bank, a savings institution, a trust company, an insurance company, an investment company as defined in the Investment Company Act of 1940, a pension or profit sharing trust or other financial institution or institutional buyer.
- Arkansas To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- California<sup>(2)</sup> To (1) any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan or individual retirement account), or other institutional investor or governmental agency or instrumentality that the commissioner may designate by rule, whether the purchaser is acting for itself or as trustee, or (2) to any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly-owned subsidiary of such a corporation which after the offer and sale will own directly or indirectly 100 percent of the outstanding capital stock of the issuer; provided the purchaser represents that it is purchasing for its own account (or for the trust account) for investment and not with a view to or for sale in connection with any distribution of the security.
- Colorado<sup>(3)</sup> To any financial or institutional investor or to a broker-dealer.

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| Connecticut <sup>(1)</sup> | To any bank and trust company, national banking association, savings bank, savings and loan association, federal savings and loan association, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.  |
| Delaware <sup>(1)</sup>    | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| District of<br>Columbia    | To a financial or institutional investor or to a broker-dealer.  |
| Florida                    | To any bank or trust company, savings institution, insurance company, dealer, investment company as defined in the Investment Company Act of 1940, or pension or profit-sharing trust or qualified institutional buyer as defined by rule of the department in accordance with Securities and Exchange Commission Rule 144A (17 C.F.R. 230.144(A)(a).  |
| Georgia                    | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust or other financial institution.   |
| Guam <sup>(1)</sup>        | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Hawaii <sup>(1)</sup>      | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Idaho <sup>(1)</sup>       | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Illinois                   | To any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, dealer, pension fund or pension trust, employees' profit-sharing trust, other financial institution or institutional investor, any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in some fiduciary capacity. |

or to any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities; to any trust in respect of which a bank or trust company is trustee or co-trustee; or to any entity in which at least 90% of the equity is owned by persons described under subsection C, H, or S of the Illinois Blue Sky Law Section 4 [5/4]; to any employee benefit plan within the meaning of Title I of the Federal ERISA Act if (i) the investment decision is made by a plan fiduciary as defined in Section 3(21) of the Federal ERISA Act and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment advisor or an investment advisor registered under the Federal 1940 Investment Advisers Act, or (ii) the plan has total assets of \$5,000,000, or (iii) in the case of a self directed plan, investment decisions are made solely by persons that are described under subsection C, D, H or S of the Illinois Blue Sky Law Section 4 [5/4]; or to any plan established and maintained by, and for the benefit of the employees of, any state or political subdivision or agency or instrumentality thereof if such plan has total assets in excess of \$5,000,000; or to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, any Massachusetts or similar business trust, or any partnership, if such organization, trust, or partnership has total assets in excess of \$5,000,000.

- Indiana<sup>(1)</sup> To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Iowa To a bank, savings and loan association, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in a fiduciary capacity. However, the administrator, by rule or order, may grant this exemption to a person or class of persons based upon the factors of financial sophistication, net worth, and the amount of assets under investment.
- Kansas To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Kentucky To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Louisiana To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940,

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|                              | as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust or other financial institution.  |
| Maine <sup>(4)</sup>         | To a financial and institutional investor, as defined in Section 10501 of the Maine Blue Sky Law.  |
| Maryland                     | To any investment company as defined in the Investment Company Act of 1940, an investment adviser with assets under management of not less than \$1,000,000, a broker-dealer, bank, trust company, savings and loan association, insurance company, employee benefit plan with assets of not less than \$1,000,000 or government agency or instrumentality, whether acting for itself or as a trustee or a fiduciary with investment control or other institutional investor.  |
| Massachusetts <sup>(1)</sup> | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Michigan <sup>(1)</sup>      | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, the federal national mortgage association, the federal home loan mortgage corporation, or the government national mortgage association, pension or profit-sharing trust, the assets of which are managed by an institutional manager, the treasurer of the State of Michigan or other financial institution or institutional manager. |
| Minnesota <sup>(1)</sup>     | To a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, or other financial institution or institutional buyer.  |
| Mississippi <sup>(1)</sup>   | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Missouri <sup>(1)</sup>      | To any institutional investor, a federal covered investment advisor, and any other person exempted by rule adopted or order issued under the Missouri Blue Sky law.  |
| Montana                      | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Nebraska                     | To a financial or institutional investor.  |



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| Nevada                        | To any financial or institutional investor.   |
| New Hampshire <sup>(1)</sup>  | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, venture capital company which operates a small business investment company under the Small Business Investment Act of 1958, as amended, or other financial institution or institutional buyer.  |
| New Jersey <sup>(5)</sup>     | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer.  |
| New Mexico                    | To any financial or institutional investor.   |
| New York                      | To any state or national bank, trust company or savings institution incorporated under the laws and subject to the examination, supervision and control of any state or of the United States or any insular possession thereof.   |
| North Carolina <sup>(1)</sup> | To any entity which has a net worth in excess of \$1,000,000, as determined by generally accepted accounting principles, any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.  |
| North Dakota                  | To a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust or similar benefit plan, or other financial institution or qualified institutional buyer.  |
| Ohio <sup>(6)</sup>           | To the issuer, to a dealer, or to an institutional investor.  |
| Oklahoma <sup>(1)</sup>       | To any financial or institutional investor.   |
| Oregon                        | To any bank, savings institution, trust company, insurance company, investment company, pension or profit-sharing trust, other financial institution or institutional buyer (including but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veterans' Affairs and the Government National Mortgage Association) or a mortgage broker or mortgage banker. |
| Pennsylvania <sup>(1)</sup>   | To any institutional investor.  |
| Puerto Rico <sup>(1)</sup>    | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Companies Act of  |

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|                               | Puerto Rico, pension or profit-sharing trust, or other financial institution or institutional buyer.  |
| Rhode Island                  | To any financial or institutional investor.   |
| South Carolina <sup>(1)</sup> | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.  |
| South Dakota                  | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.  |
| Tennessee <sup>(7)</sup>      | To any institutional investor which is defined as a bank, unless the bank is acting as a broker-dealer, trust company, insurance company, investment company registered under the Investment Company Act of 1940, as amended, a holding company that controls any of the foregoing, a trust or fund over which any of the foregoing has or shares investment discretion, a pension or profit sharing plan, an institutional buyer (as the commissioner of commerce and insurance of Tennessee may further define by rule), or any other person engaged as a substantial part of its business in investing in securities unless such other person is within the definition of a broker-dealer, in each case having a net worth in excess of \$1,000,000. |
| Texas                         | To any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution, investment company as defined in the Investment Company Act of 1940, or small business investment company as defined in the Small Business Investment Act of 1958, as amended.   |
| Utah <sup>(1)</sup>           | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional investor.   |
| Vermont <sup>(8)</sup>        | To any financial or institutional investor which is defined as a depository institution, insurance company, investment company as defined in the Investment Company Act of 1940, an employee pension, profit sharing or benefit plan if the plan has more than \$5,000,000 in assets and any other financial or institutional buyer which qualifies as an accredited investor under the provisions of Regulation D of the SEC.  |
| Virginia                      | To any corporation, investment company or pension or profit-sharing trust.  |

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| Washington                   | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| West Virginia <sup>(1)</sup> | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |
| Wisconsin <sup>(9)</sup>     | To any (i) bank, savings institution, savings bank, credit union, trust company, insurer, broker-dealer, investment adviser, federal covered advisor or savings and loan association, if the purchaser or prospective purchaser is acting for itself or as trustee with investment control, (ii) investment company as defined under the Investment Company Act of 1940, pension or profit-sharing trust, except that an offer or sale of a security to a pension or profit-sharing trust or individual retirement plan, including a self-employment individual retirement plan, is not exempt unless administered by an institution described in clause (i), (iii) financial institution or institutional investor designated by rule or order of the Wisconsin Division of Securities, and (iv) accredited investor. |
| Wyoming <sup>(1)</sup>       | To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.   |

## **NOTES TO BLUE SKY SURVEY**

- (1) Provided that the offeror or seller, if not registered or licensed as a dealer or broker in this jurisdiction, is a bank or has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with or through registered or licensed dealers or brokers or with institutions and persons in the categories enumerated above.
- (2) Provided that the offeror or seller, if not licensed as a broker-dealer in California, is a bank or is a broker-dealer registered under the Securities Exchange Act of 1934 who has not previously had any certificate denied or revoked under the California Corporate Securities Law of 1968 or any predecessor statute, has no place of business in California and offers or sells securities in California exclusively to licensed broker-dealers or to institutions and persons in the categories enumerated above.
- (3) Provided that the offeror or seller, if not registered as a broker-dealer in Colorado, is a bank or is a broker or dealer registered pursuant to the provisions of the Securities Exchange Act of 1934 and has filed the appropriate notice and consent with the Securities Commissioner.
- (4) Provided, that the offeror or seller, it not registered as a dealer in this jurisdiction.
- (5) "Savings institution" is defined as any savings and loan association or building and loan association operating pursuant to the Savings and Loan Act of New Jersey, and any federal savings and loan association and any association or credit union organized under the laws of the United States or of any state whose accounts are insured by a federal corporation or agency.
- (6) Provided that the seller is licensed as a dealer in Ohio.
- (7) Provided that the offeror or seller, if not registered as a broker-dealer in Tennessee, is a bank or is a broker or dealer registered pursuant to the provisions of the Securities Exchange Act of 1934, or a member of the National Association of Securities Dealers, Inc., and has no place of business in Tennessee and effects transactions in Tennessee exclusively with or through other registered broker-dealers or with institutional investors enumerated above.
- (8) Financial or institutional investor is defined as (i) a depository institution; (ii) an insurance company, (iii) a separate account of an insurance company, (iv) an investment company as defined in the Investment Company Act of 1940, (v) an employee pension, profit sharing or benefit plan if the plan has total assets in excess of five million dollars or if its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer, an investment adviser, a depository institution or an insurance company, or (vi) any other financial or institution buyer.
- (9) Provided, that the offeror or seller, if not registered as a broker-dealer in Wisconsin, effects transactions in Wisconsin exclusively with or through other registered broker-dealers or with institutions and persons in the categories enumerated above.

## RULE 15c2-12 CERTIFICATE OF CITY OF SYRACUSE

The undersigned hereby certifies and represents to Raymond James & Associates, Inc. as representative (the "Representative") of the Underwriters (the "Underwriters") that the undersigned is authorized to deliver this Certificate on behalf of the City of Syracuse (the "City") and further certifies to the Underwriters as follows:

1. This Certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the offering and sale of the \$67,120,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Bonds") of the City of Syracuse Industrial Development Agency (the "Issuer").

2. In connection with the offering and sale of the Bonds, the Issuer, the City and the City School District of the City of Syracuse (the "SCSD") prepared a Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement") setting forth information concerning the Issuer, the City and SCSD, the JSCB, the Bonds and the Series 2018A Project (as such terms are defined in the Preliminary Official Statement) and related matters.

3. The Preliminary Official Statement is, except for Permitted Omissions, deemed final as of its date for purposes of paragraph (b)(1) of the Rule; provided, however, that no certification is made with respect to the sections of the Preliminary Official Statement entitled "The Issuer", and "Litigation" (the "Excluded Sections"); and provided further, however, that the Preliminary Official Statement is subject to completion, revision and amendment. As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of the Underwriters and other terms of the Bonds depending on such matters.

4. If, at any time prior to the sale of the Bonds to the Underwriters, the City has knowledge of any event as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriters thereof.

5. The City approves of and ratifies the use and reproduction by the Underwriters prior to the date of the Preliminary Official Statement relating to the Bonds in connection with the offering of the Bonds, and confirms that the Preliminary Official Statement was deemed final as of its date by the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), except for the information not required to be included in a final official statement as set forth in the Rule.

IN WITNESS WHEREOF, I have set my hand as of the date of 23<sup>rd</sup> day of February, 2018.

CITY OF SYRACUSE

By: 

\_\_\_\_\_  
David J. Delvecchio, CPA, CFE  
Commissioner of Finance

**RULE 15c2-12 CERTIFICATE OF  
CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

The undersigned hereby certifies and represents to Raymond James & Associates, Inc. as representative (the "Representative") of the Underwriters (the "Underwriters") that the undersigned is authorized to deliver this Certificate on behalf of the City School District of the City of Syracuse (the "SCSD"), and further certifies to the Underwriters as follows:

1. This Certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the offering and sale of the \$67,120,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Bonds") of the City of Syracuse Industrial Development Agency (the "Issuer").

2. In connection with the offering and sale of the Bonds, the Issuer, the City of Syracuse (the "City") and the SCSD prepared a Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement") setting forth information concerning the Issuer, the City and the SCSD, the JSCB, the Bonds and the Series2018A Project (as such terms are defined in the Preliminary Official Statement) and related matters.

3. The Preliminary Official Statement is, except for Permitted Omissions, deemed final as of its date for purposes of paragraph (b)(1) of the Rule; provided, however, that no certification is made with respect to the sections of the Preliminary Official Statement entitled "The Issuer", and "Litigation" (the "Excluded Sections"); and provided further, however, that the Preliminary Official Statement is subject to completion, revision and amendment. As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of the Underwriters and other terms of the Bonds depending on such matters.

4. If, at any time prior to the sale of the Bonds to the Underwriters, the SCSD has knowledge of any event as a result of which the aforementioned sections of the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the SCSD shall promptly notify the Underwriters thereof.

5. The SCSD approves of and ratifies the use and reproduction by the Underwriters prior to the date of the Preliminary Official Statement relating to the Bonds in connection with the offering of the Bonds, and confirms that the Preliminary Official Statement was deemed final as of its date by the SCSD for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), except for the information not required to be included in a final official statement as set forth in the Rule.

IN WITNESS WHEREOF, I have set my hand as of the date of 23rd day of February, 2018.

SCHOOL DISTRICT OF THE CITY OF  
SYRACUSE

By: Suzanne Slack  
Suzanne Slack  
Chief Financial Officer

By: Jaine Alicea  
Jaine Alicea  
Superintendent



**RULE 15c2-12 CERTIFICATE OF  
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

The undersigned hereby certifies and represents to Raymond James & Associates, Inc. as representative (the "Representative") of the Underwriters (the "Underwriters") that the undersigned is authorized to deliver this Certificate on behalf of the City of Syracuse Industrial Development Agency (the "Issuer"), and further certifies to the Underwriters as follows:

1. This Certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the offering and sale of the School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Bonds") of the Issuer.

2. In connection with the offering and sale of the Bonds, the Issuer, the City of Syracuse (the "City") and the City School District of the City of Syracuse (the "SCSD") prepared a Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement") setting forth information concerning the Issuer, the City and SCSD, the JSCB, the Bonds and the Series 2018A Project (as such terms are defined in the Preliminary Official Statement) and related matters.

3. The following sections of the Preliminary Official Statement are deemed final as of its date for purposes of paragraph (b)(1) of the Rule: "The Issuer" and "Litigation"; provided, however, that the Preliminary Official Statement is subject to completion, revision and amendment.

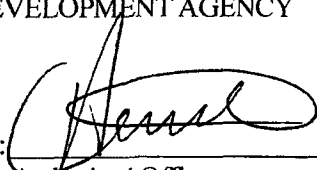
4. If, at any time prior to the sale of the Bonds to the Underwriters, the Issuer has knowledge of any event as a result of which the aforementioned sections of the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriters thereof.

5. The Issuer approves of and ratifies the use and reproduction by the Underwriters prior to the date of the Preliminary Official Statement relating to the Bonds in connection with the offering of the Bonds, and confirms that the Preliminary Official Statement was deemed final as of its date by the Issuer for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), except for the information not required to be included in a final official statement as set forth in the Rule.

IN WITNESS WHEREOF, I have set my hand as of the date of 23rd day of February, 2018.

CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY

By:



Authorized Officer

New Issue Book Entry

Moody's: "Aa2"  
 Standard & Poor's: "AA"  
 Fitch: "AA"  
 (See "RATINGS" herein)

**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

Dated: Delivery Date

Due: as shown on inside cover

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**") are being issued by the City of Syracuse Industrial Development Agency (the "**Issuer**") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "**Syracuse Schools Act**"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "**Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "**Trustee**"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "**SCSD**"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "**City**") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**2008 Original Installment Sale Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "**Fourth Amended Agreement**"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**"), each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "**JSCB**").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("**State Aid to Education**"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "**State**"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**") and together with the Depository Agreement collectively, the "**State Aid Depository Agreement**"), each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "**Depository**"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state aid or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespass & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 15, 2018.*

**Raymond James**

FTN Financial Capital Markets

Loop Capital Markets

Ramirez &amp; Co., Inc.

Dated: March, 2018

\* Preliminary, subject to change.

**\$67,120,000\***  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

| <u>May 1</u> | <u>Principal*</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP<br/>Numbers<sup>†</sup></u> | <u>May 1</u> | <u>Principal*</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP<br/>Numbers<sup>†</sup></u> |
|--------------|-------------------|---------------|--------------|--------------------------------------|--------------|-------------------|---------------|--------------|--------------------------------------|
| 2020         | \$3,080,000       |               |              |                                      | 2028         | \$4,595,000       |               |              |                                      |
| 2021         | 3,240,000         |               |              |                                      | 2029         | 4,830,000         |               |              |                                      |
| 2022         | 3,405,000         |               |              |                                      | 2030         | 5,080,000         |               |              |                                      |
| 2023         | 3,580,000         |               |              |                                      | 2031         | 5,340,000         |               |              |                                      |
| 2024         | 3,765,000         |               |              |                                      | 2032         | 5,615,000         |               |              |                                      |
| 2025         | 3,955,000         |               |              |                                      | 2033         | 5,900,000         |               |              |                                      |
| 2026         | 4,160,000         |               |              |                                      | 2034         | 6,205,000         |               |              |                                      |
| 2027         | 4,370,000         |               |              |                                      |              |                   |               |              |                                      |

<sup>†</sup> Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the Issuer and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 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 Bonds.

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\* Preliminary, subject to change.

*No dealer, broker, salesperson or other person has been authorized by the Issuer, the City, the SCSD or the Underwriters to give any information or to make any representations with respect to the Series 2018A Bonds, other than the information and representations contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by 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 2018A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.*

*The Series 2018A Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2018A Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2018A Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2018A Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.*

*Certain information in this Official Statement has been supplied by the Issuer, the JSCB, the SCSD, the City, and other sources that the Issuer and the Underwriters believe are reliable. Neither the Issuer nor the Underwriters guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Issuer or the Underwriters. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the JSCB, the SCSD, or the City since the date hereof.*

*The Issuer assumes no responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that appearing under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer), all of which other information has been furnished by others.*

*The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.*

*References in this Official Statement to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement (each as herein defined) do not purport to be complete. Reference is made to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement for full and complete details of their respective provisions. Copies of the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement, are on file with 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 the appendices, must be considered in its entirety.*

*The contents of this Official Statement are not to be construed as legal, business or tax advice. Prospective investors should consult their own attorneys and business and tax advisors as to legal,*

*business and tax advice. In making an investment decision, prospective investors must rely on their own examination of the terms of the offering of the Series 2018A Bonds, including the merits and risks involved. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any Series 2018A Bonds.*

*This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the State and the SCSD and the amount of State Aid to Education paid to the SCSD or the City, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the Issuer, the Underwriters or the SCSD that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.*

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

*IN CONNECTION WITH THE OFFERING OF THE SERIES 2018A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2018A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.*

## TABLE OF CONTENTS

|  |   |
|--|---|
| <p>INTRODUCTION..... 1</p> <p style="padding-left: 20px;">General ..... 1</p> <p style="padding-left: 20px;">Authorization..... 1</p> <p style="padding-left: 20px;">Purpose of the Series 2018A Bonds ..... 1</p> <p style="padding-left: 20px;">The Program..... 2</p> <p style="padding-left: 20px;">Program Financings ..... 3</p> <p style="padding-left: 20px;">Structure of the Series 2018A Bonds..... 4</p> <p style="padding-left: 20px;">Security for the Series 2018A Bonds..... 4</p> <p>THE PROGRAM ..... 9</p> <p style="padding-left: 20px;">Authorization..... 9</p> <p style="padding-left: 20px;">Program Overview ..... 9</p> <p style="padding-left: 20px;">The Series 2008 Project ..... 9</p> <p style="padding-left: 20px;">The Series 2010 Project ..... 10</p> <p style="padding-left: 20px;">The Series 2011 Project ..... 10</p> <p style="padding-left: 20px;">The Series 2017 Project ..... 10</p> <p style="padding-left: 20px;">Phase II of the Program..... 10</p> <p>PROGRAM PARTICIPANTS..... 11</p> <p style="padding-left: 20px;">The City..... 11</p> <p style="padding-left: 20px;">The SCSD and Board of Education ..... 11</p> <p style="padding-left: 20px;">Charter Schools ..... 12</p> <p style="padding-left: 20px;">SCSD Budget — Year Ending June 30, 2018 ..... 12</p> <p style="padding-left: 20px;">SCSD Financial Plan ..... 14</p> <p style="padding-left: 20px;">Employee Benefit Plans ..... 15</p> <p style="padding-left: 20px;">Retirement System Billing Procedures..... 16</p> <p style="padding-left: 20px;">Pension Reform..... 16</p> <p style="padding-left: 20px;">Retirement Contributions..... 17</p> <p style="padding-left: 20px;">Accounting for Retirement Costs ..... 17</p> <p style="padding-left: 20px;">Post Employment Benefits..... 18</p> <p style="padding-left: 20px;">The JSCB ..... 19</p> <p style="padding-left: 20px;">New York State Education Department ..... 19</p> <p style="padding-left: 20px;">The Program Manager ..... 19</p> <p style="padding-left: 20px;">State Aid to Education ..... 20</p> <p style="padding-left: 20px;">New York State Budget Process..... 23</p> <p>THE ISSUER ..... 27</p> <p>PLAN OF FINANCING ..... 28</p> <p>SOURCES AND USES OF FUNDS ..... 28</p> <p>THE SERIES 2018A BONDS ..... 28</p> <p style="padding-left: 20px;">General ..... 28</p> <p style="padding-left: 20px;">Exchange of Series 2018A Bonds ..... 29</p> <p style="padding-left: 20px;">Transfer of Series 2018A Bonds..... 29</p> <p style="padding-left: 20px;">Redemption of the Series 2018A Bonds..... 30</p> <p style="padding-left: 20px;">Selection of Series 2018A Bonds to be Redeemed ..... 30</p> <p style="padding-left: 20px;">Redemption Procedures ..... 30</p> <p style="padding-left: 20px;">Registration and Payment — Book-Entry System ..... 31</p> <p>SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS..... 34</p> <p style="padding-left: 20px;">General ..... 34</p> <p style="padding-left: 20px;">The License Agreement ..... 34</p> <p style="padding-left: 20px;">The Installment Sale Agreement..... 35</p> <p style="padding-left: 20px;">State Aid Intercept ..... 37</p> <p style="padding-left: 20px;">The Indenture ..... 37</p> <p style="padding-left: 20px;">Debt Service Reserve Fund Not Applicable to the Series 2018A Bonds ..... 39</p> <p style="padding-left: 20px;">Additional Bonds ..... 39</p> <p style="padding-left: 20px;">State Aid Depository Agreement..... 39</p> | <p style="padding-left: 20px;">Timing of Payments under State Aid Trust Agreement ..... 41</p> <p>DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD ..... 42</p> <p style="padding-left: 20px;">Budget Procedures and Plans ..... 42</p> <p style="padding-left: 20px;">Accounting and Financial Reporting ..... 43</p> <p style="padding-left: 20px;">Summary of Significant Accounting Policies..... 43</p> <p>SCSD General Fund Results of Operations – Year Ended June 30, 2017 ..... 43</p> <p style="padding-left: 20px;">Anticipated SCSD General Fund Results of Operations – Year Ended June 30, 2018 ..... 44</p> <p>ANNUAL INSTALLMENT PURCHASE PAYMENTS ..... 45</p> <p>BONDHOLDERS’ RISKS..... 45</p> <p style="padding-left: 20px;">Tax Cuts and Jobs Act..... 45</p> <p style="padding-left: 20px;">The State’s Financial Condition, Reduced State Aid, Delayed Payment ..... 46</p> <p style="padding-left: 20px;">Appropriation of and Possible Changes to State Aid ..... 47</p> <p style="padding-left: 20px;">Default by the SCSD and the City ..... 47</p> <p style="padding-left: 20px;">Appropriation of Installment Purchase Payments by the City and the SCSD..... 48</p> <p style="padding-left: 20px;">Competing Claims to State Aid..... 48</p> <p style="padding-left: 20px;">Additional Series of Project Bonds or Series of Additional Bonds ..... 51</p> <p style="padding-left: 20px;">Insurance..... 51</p> <p style="padding-left: 20px;">Enforceability of Remedies ..... 51</p> <p style="padding-left: 20px;">State Aid Depository Agreement ..... 52</p> <p style="padding-left: 20px;">Statutory Interpretation ..... 52</p> <p style="padding-left: 20px;">Limited Obligations of the Issuer..... 52</p> <p style="padding-left: 20px;">Absence of Public Market for the Series 2018A Bonds ..... 53</p> <p style="padding-left: 20px;">Executive Order on Sanctuary Cities ..... 53</p> <p>TAX MATTERS ..... 54</p> <p style="padding-left: 20px;">Series 2018A Bonds..... 54</p> <p>APPROVAL OF LEGAL MATTERS..... 56</p> <p>FINANCIAL ADVISOR..... 56</p> <p>NO LITIGATION ..... 56</p> <p>RATINGS ..... 57</p> <p>UNDERWRITING ..... 57</p> <p>SECONDARY MARKET DISCLOSURE..... 57</p> <p>MISCELLANEOUS..... 58</p><br><p>APPENDIX A – Certain Financial Information and Audited Financial Statements of the City School District of the City of Syracuse ..... A-1</p> <p>APPENDIX B – Summary of Definitions ..... B-1</p> <p>APPENDIX C – Summary of Certain Provisions of the Indenture of Trust..... C-1</p> <p>APPENDIX D – Summary of Certain Provisions of the Installment Sale Agreement..... D-1</p> <p>APPENDIX E – Form of Opinion of Bond Counsel for Series 2018A Bonds..... E-1</p> <p>APPENDIX F – Form of Continuing Disclosure Agreement ..... F-1</p> |
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**\$67,120,000\***  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHOOL FACILITY REVENUE BONDS**  
**(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**INTRODUCTION**

**General**

This Official Statement sets forth certain information concerning the issuance and sale by the City of Syracuse Industrial Development Agency (the "**Issuer**") of \$67,120,000\* School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**"). The Series 2018A Bonds will be secured by and issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "**Indenture**" or the "**Series 2018A Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "**Trustee**").

Certain capitalized terms used in this Official Statement which are not defined herein shall have the meanings assigned to them in APPENDIX B - "Summary of Definitions" attached hereto.

**Authorization**

The Series 2018A Bonds will be issued pursuant to the Issuer's enabling legislation constituting Title I of Article 18-A of the General Municipal Law of the State of New York (the "**State**") (enacted into law as Chapter 1030 of the Laws of 1969 of the State), and Title II of Article 18-A § 926 of the General Municipal Law of the State enacted into law as Chapter 641 of the Laws of 1979 of the State (collectively, the "**Act**"); and Chapter 58 Part A-4 of the Laws of 2006, as amended (the "**Syracuse Schools Act**"); and a resolution of the Issuer adopted January 16, 2018.

**Purpose of the Series 2018A Bonds**

Prior to the commencement of the comprehensive redevelopment program ("the **Program**") of the JSCB for public school buildings of the City School District of the City of Syracuse (the "**SCSD**"), the facilities of the SCSD had not been updated or improved in a number of years. The Syracuse Schools Act was enacted to encourage the City of Syracuse (the "**City**") and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing public schools within the City. See "THE PROGRAM."

Phase I of the Program consisted of design and/or reconstruction and rehabilitation of various existing school buildings and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD. Phase I was financed by the Issuer through several issues of its bonds in 2008, 2010, and 2011 (the Issuer's 2008 bonds were refinanced through the issuance of refunding bonds in 2017) as described below. See "PROGRAM FINANCINGS."

The Series 2018A Bonds are being issued by the Issuer for the purpose of financing a portion of the costs of Phase II of the Program consisting of design and/or reconstruction, construction and rehabilitation of existing school buildings including Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD in connection therewith (the "**Series 2018A Project**"). The

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\* Preliminary, subject to change.

proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds.

### **The Program**

The Syracuse Schools Act was enacted and became legally effective April 1, 2006, authorizing Phase I of the Program for public school buildings of the SCSD, at a cost not to exceed \$225 million. The Program was adopted by the JSCB on February 28, 2008, amended on April 17, 2009 and approved by the Office of the State Comptroller on June 24, 2009 in accordance with §6 of the Syracuse Schools Act. Prior to the commencement of the Program, the facilities of the SCSD had not been updated or improved in a number of years. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing public schools within the City. The plans and specifications for the Program are being developed by the JSCB, which is acting on behalf of the City and the SCSD, pursuant to the aforementioned Syracuse Schools Act and an intermunicipal agreement dated April 1, 2004. Pursuant to the Syracuse Schools Act, the JSCB has been authorized to manage the design, reconstruction, construction and financing of the rehabilitation of existing public school facilities in the City, and to coordinate efforts for compliance with, the monitoring of, and the reporting on, a program-wide diversity plan for the Program. The JSCB retained the Gilbane Building Company, a privately held family run construction company founded in 1873 in Providence, Rhode Island, to be the independent program/construction management firm ("**Phase I Program Manager**") for Phase I of the Program, and to assist in the management of Phase I of the Program under the supervision of the City Engineer.

Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013. Such legislation authorized the City to provide interim financing for project costs from the proceeds of City obligations issued in anticipation of permanent financing from any source provided under the Syracuse Schools Act, and the reimbursement to the City for the payment of such obligations from any such source (including permanent financing issued through the Issuer for such purpose). The City currently has \$29.8 million total principal amount of its bond anticipation notes outstanding which were issued to provide such initial funding. Of these notes, \$14.8 million will mature on March 15, 2018 and are expected to be redeemed with a \$7,417,430 portion of the proceeds from the Series 2018A Bonds, together with \$6,862,570 proceeds from renewal bond anticipation notes to be issued by the City and \$520,000 current funds of the SCSD. The remaining amount of outstanding notes will mature on June 22, 2018 and are expected to be renewed by the City to continue to provide such interim financing for an additional portion of project costs until permanent financing is completed. Legislation was subsequently enacted on March 17, 2014 specifying 15 buildings to be included in Phase II. Phase II was adopted by the JSCB on January 29, 2015, amended on July 27, 2017 and approved by the Office of the State Comptroller on January 12, 2018 in accordance with §6 of the Syracuse Schools Act.

The JSCB selected Turner Construction Company ("**Phase II Program Manager**") as the Program Manager for Phase II of the Program on August 28, 2015. Turner Construction was founded 113 years ago and is a North America-based, international construction services company. With a staff of over 5,200 employees, the company completes \$10 billion of construction on 1,500 projects each year.

The Phase I Program Manager and Phase II Program Manager are collectively referred to hereinafter as the "**Program Managers.**"

A full copy of the Phase I and Phase II legislation may be obtained by visiting the JSCB's official website: <http://www.syr.gov.net/JSCB>.

### **Program Financings**

On March 1, 2008, the Issuer issued \$49,230,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2008A (the "**Series 2008A Bonds**") to finance the following: (i) rehabilitation of, and the acquisition of equipment and furnishings for, Central Technical High School; and (ii) preparation of designs and specifications for reconstruction and rehabilitation of Blodgett School, Shea Middle School, Dr. Weeks Elementary, Clary Middle School, Fowler High School and H.W. Smith Elementary School (collectively referred to as the "**Original Series 2008 Project**").

On July 6, 2009, the Issuer amended the scope of the Series 2008 Project to include the payment of costs associated with the acquisition, construction, and installation of various improvements to the Fowler High School, H.W. Smith Pre-K-8 School, Dr. Weeks Elementary School, Clary Middle School and Shea Middle School (the "**Amended Series 2008 Project**", and together with the Original Series 2008 Project, the "**Series 2008 Project**").

On December 23, 2010, the Issuer issued \$31,470,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2010 (the "**Series 2010 Bonds**") to finance an additional portion of the costs of the Phase I of the Program. The proceeds of the Series 2010 Bonds financed site work, exterior and interior building improvements and additions, and mechanical and electrical upgrades.

On July 12, 2011, the Issuer issued \$31,860,000 aggregate principal amount of its School Facility Revenue Bonds (Tax Exempt Bonds) (Syracuse City School District Project) Series 2011A and \$15,000,000 aggregate principal amount of its School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project) Series 2011B (collectively, the "**Series 2011 Bonds**") to finance an additional portion of the costs of the Phase I of the Program, including the completion of the Dr. Weeks Elementary School, the H.W. Smith Pre-K to 8 School and the Fowler Energy Performance Contract Project at Fowler High School.

On April 20, 2017 the Issuer issued \$29,260,000 aggregate principal amount of its School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2017 (the "**Series 2017 Bonds**") for the purpose of (i) refunding all of the Issuer's outstanding School Facility Revenue Bonds (Syracuse City School District Project) Series 2008A (the "**Refunded Bonds**") and (ii) financing certain costs of issuance of the Series 2017 Bonds.

It is anticipated that funds required to complete Phase II and future phases of the Program will be derived, in part, through the issuance and sale from time to time of other series of bonds (together with the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds collectively referred to hereinafter as "**Project Bonds**") issued by the Issuer or other authorized issuer pursuant to separate or supplemental indentures of trust and bond resolutions (each, including the Indenture, being a "**Series Indenture**," and the trustee under each Series Indenture, including the Trustee, being a "**Series Trustee**"). It is further anticipated that the additional facilities to be financed from future series of Project Bonds will be made subject to a separate or amended license agreement or ground lease and a separate or amended lease agreement or a separate or amended installment sale agreement or similar instrument (each such separate lease agreement or installment sale agreement, including the Installment Sale Agreement, being a "**Series Facilities Agreement**").

## Structure of the Series 2018A Bonds

Pursuant to the License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee (the "**License Agreement**"), which was previously amended pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), a Third Amendatory License Agreement dated as of April 1, 2017, and a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**" and together with the License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement, and the Third Amendatory License Agreement, collectively, the "**License Agreement**"), each among the Issuer, City and the SCSD, the City and the SCSD licensed to the Issuer certain existing school buildings within the SCSD and, pursuant to one or more bills of sale, conveyed title to the equipment to the Issuer (collectively, the "**Series 2008 Facilities**"). The Fourth Amendatory License Agreement will be entered into concurrently with the issuance of the Series 2018A Bonds and will have a term ending upon the later of completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project. Concurrently therewith, the Issuer will sell and assign its license interest under the License Agreement and a bill of sale in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. Installment Purchase Payments due from the SCSD and the City under the Installment Sale Agreement related to the Series 2018A Bonds, will equal principal and interest due on the Series 2018A Bonds, including the mandatory principal payments. Pursuant to §14(a) of the Syracuse Schools Act, the Board of Education for the SCSD shall be responsible for the maintenance and operation of the Series 2008 Facilities.

Pursuant to the Indenture, the Issuer will issue the Series 2018A Bonds for the benefit of the JSCB, to finance the costs of the Series 2018A Project, and reserves the right, upon request of the JSCB, to issue one or more Series of Additional Bonds under the Indenture for such purpose. The Series 2018A Project will be undertaken by the JSCB (as defined in the Installment Sale Agreement) on behalf of the City and the SCSD, as agent of the Issuer. Pursuant to the Program Manager Agreement (as defined in the Installment Sale Agreement) and §11 of the Syracuse Schools Act, the Phase II Program Manager shall manage all current projects undertaken pursuant to the Syracuse Schools Act, including providing construction consulting services at all stages of pre-development, development and construction of the Series 2018A Project.

## Security for the Series 2018A Bonds

Principal of and interest on the Series 2018A Bonds will be secured by: (i) installment purchase payments ("**Installment Purchase Payments**") made by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including the Bond Fund under the Indenture. In the event the SCSD or the City fails to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold from the SCSD and the City any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS—State Aid Intercept" and "State Aid." The Syracuse Schools Act further provides that (x) any amount of state and/or school aid so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or

eliminating any program or programs of state and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

The obligations of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the New York State Legislature (the “*State Legislature*”) and available to the SCSD and/or the City and appropriated by the City and approved by the SCSD for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof shall be incurred by the SCSD or the City beyond the amount of such State Aid to Education so available and appropriated; *provided, however*, that the failure of the SCSD and the City, for any reason (including a failure by the SCSD to budget and appropriate funds for Installment Purchase Payments, a failure by the City to approve a budget and appropriate funds providing for Installment Purchase Payments or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under the Installment Sale Agreement is deemed a failure to make a payment thereunder for purposes of the state and/or school aid intercept implementing provisions of the Syracuse Schools Act and the intercept provisions of the Indenture. Payment of State Aid to Education to the SCSD and/or the City is subject to annual appropriation by the State Legislature. Except to the extent limited as provided above, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional; and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, or recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction they might otherwise have against the Issuer, the Trustee, any purchaser of any Series 2018A Bond or any other person and whether or not any or all of the facilities financed with the proceeds of the Series 2018A Bonds are used or occupied by the City, the JSCB or the SCSD or available for use or occupancy by the City, the JSCB or the SCSD. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS,” “BONDHOLDERS’ RISKS - Additional Series of Project Bonds or Series of Additional Bonds” and APPENDIX D — “Summary of Certain Provisions of the Installment Sale Agreement.”

The SCSD, the City and Manufacturers and Traders Trust Company, as depository bank (the “*Depository*”), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 (the “*Depository Agreement*”), as previously amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the “*First Amendment to State Aid Depository Agreement*”) and together with the Depository Agreement, collectively, the “*State Aid Depository Agreement*”). In accordance with the State Aid Depository Agreement, the Commissioner of Finance of the City (the “*Commissioner of Finance*”) and the President of the Board of Education of the SCSD have instructed the State Comptroller to pay all State Aid to Education directly to a designated fund (the “*State Aid Depository Fund*”) held with the Depository. Provided the City and the SCSD have made an appropriation for the payment of Installment Purchase Payments under the Installment Sale Agreement, amounts in the State Aid Depository Fund will be transferred periodically to the Trustee for deposit in the Bond Fund established under the Indenture (and to each equivalent fund under each other Series Indenture), on a Ratable Basis, toward the payment of the Series 2018A Bonds and other series of Project Bonds outstanding under each other Series Indenture, and any balance remaining will be transferred to the SCSD. Amounts in the State Aid Depository Fund will be transferred by the Depository to the Bond Fund periodically on a Ratable Basis from each December 1 until each March 31 of each Fiscal Year (the “*Collection Period*”) and will be credited against the obligation of the SCSD and the City to pay annual Installment Purchase Payments under the Installment Sale Agreement due on April 1 of each year. Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund during the Collection Period, amounts held in the

State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2018A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund under the Indenture.

Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture.

The State's 2017-2018 Enacted Budget provides for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, Board of Cooperative Educational Services and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Enacted Budget continues to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State's 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan. The amount of total state aid to education projected to be received by the SCSD in fiscal year ending June 30, 2018 is \$334.6 million, which is an increase of \$13.1 million, or 4.1%, compared to the amount budgeted for the 2016-17 fiscal year.

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During the Collection Period from December 1 until March 31 of each of the following fiscal years of the SCSD year, the SCSD received State Aid receipts for all funds in the following amounts:

**COLLECTION PERIOD RECEIPTS**

**(in millions)**

**Fiscal Year**

| <b>December 1<br/>Thru:</b> | <b>2010-11<sup>(1)</sup></b> | <b>2011-12<sup>(1)</sup></b> | <b>2012-13<sup>(1)</sup></b> | <b>2013-14<sup>(1)</sup></b> | <b>2014-15<sup>(1)</sup></b> | <b>2015-16<sup>(1)</sup></b> | <b>2016-17<sup>(1)</sup></b> |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>December 31</b>          | \$ 35.623                    | \$ 25.209                    | \$ 23.887                    | \$ 21.181                    | \$ 14.499                    | \$ 14.813                    | \$ 19.393                    |
| <b>January 31</b>           | 6.276                        | 20.496                       | 34.940                       | 43.194                       | 44.789                       | 29.575                       | 53.972                       |
| <b>February 28</b>          | 25.932                       | 25.104                       | 23.286                       | 23.311                       | 23.297                       | 26.772                       | 26,954                       |
| <b>March 31</b>             | <u>85.013</u>                | <u>82.760</u>                | <u>76.592</u>                | <u>77.249</u>                | <u>73.861</u>                | <u>85.303</u>                | <u>85.462</u>                |
| <b>Total</b>                | <u>152.844</u>               | <u>153,569</u>               | <u>158.705</u>               | <u>164.935</u>               | <u>156.446</u>               | <u>156.463</u>               | <u>185,781</u>               |

(1) Unaudited.

Source: SCSD Officials

No assurance can be given that the foregoing amounts of State Aid to Education will continue or be appropriated by the State in such amounts in future fiscal years. See "PROGRAM PARTICIPANTS - The SCSD and Board of Education," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" and "BONDHOLDERS' RISKS — Competing Claims to State Aid," and APPENDIX A — "Certain Financial Information and Audited Financial Statements of the City School District of the City of Syracuse."

The amount of State Aid to Education paid to the SCSD is also dependent, in part, upon the financial condition of the State. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."

Pursuant to the Indenture and the Pledge and Assignment, the Issuer has assigned to the Trustee substantially all of its rights under the Installment Sale Agreement with respect to the Series 2018A Bonds, including the right to receive and collect the Installment Purchase Payments with respect to the Series 2018A Bonds (other than moneys payable for the Issuer's Reserved Rights) payable by the SCSD and the City thereunder. Pursuant to the Indenture and the Pledge and Assignment, the Issuer has also pledged and assigned to the Trustee for the benefit of the holders of the Series 2018A Bonds, substantially all of its right, title and interest in and to State Aid to Education and the funds, monies or securities held under the Indenture (other than amounts set aside and transferred to the Rebate Fund), including amounts held in the Bond Fund.

The Series 2018A Bonds are subject to optional redemption in accordance with the provisions of the Indenture. See "THE SERIES 2018A BONDS - Redemption of the Series 2018A Bonds."

THE SERIES 2018A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID TO EDUCATION PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT, THE SYRACUSE SCHOOLS ACT AND THE

INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AND/OR SCHOOL AID FROM THE SCSD AND THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE. THE ONLY SOURCE OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018A BONDS IS INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD OR THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID TO EDUCATION APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD AND/OR THE CITY AND APPROPRIATED BY THE CITY AND THE SCSD TO MAKE SUCH PAYMENTS, AND THE INTERCEPT BY THE STATE COMPTROLLER OF ANY STATE AND/OR SCHOOL AID PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PURCHASE PAYMENT DEFICIENCY.

Certain capitalized terms used in this Official Statement which are not defined herein shall have the meanings assigned to them in "APPENDIX B – Summary of Definitions"

Brief descriptions of the Issuer, the Series 2018A Bonds, the security for the Series 2018A Bonds, the Program, the Series 2018A Project, the City, the SCSD, the JSCB, and the Phase II Program Manager are set forth below or in the Appendices hereto. Summaries of certain financing documents are set forth below or in the Appendices hereto. Such summaries do not purport to be complete or definitive, each such summary is qualified in its entirety by reference to each such document for a complete description of all of the terms and provisions thereof, copies of which are on file with and are available at the offices of the Trustee, and no part of such summaries are to be construed as a representation or a guarantee of the accuracy or completeness by the Issuer other than the information under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer) therein.

The Form of Opinion of Bond Counsel for the Series 2018A Bonds is set forth in Appendix E hereto. The Form of Continuing Disclosure Agreement with respect to the Series 2018A Bonds is set forth in Appendix F hereto.

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## THE PROGRAM

### Authorization

The Program has been developed by the JSCB, pursuant to the Syracuse Schools Act and an April 1, 2004 intermunicipal agreement between the City and the SCSD as amended, and encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD. There have been no new public schools built in the City during the past 30 years, and prior to Phase I of the Program many elementary and secondary schools in the City were in extremely poor physical condition. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing existing public schools within the City. The Syracuse Schools Act authorized Phase I of the Program for various schools at a cost not to exceed \$225,000,000. The JSCB made the determination that a finance plan consisting of approximately \$151,000,000 of project funds for Phase I was sufficient for the projects to be undertaken in such Phase I. Phase I included extensive renovations to four SCSD school buildings (Central Tech, Fowler, HW Smith and Dr. Weeks), and minor renovations at two other SCSD buildings (Clary and Bellevue Academy at Shea). The JSCB has closed all Phase I projects.

Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013. Legislation was subsequently enacted on March 17, 2014 specifying 15 existing buildings to be included in Phase II. The first seven Phase II projects are approved by the Commissioner of NYSED and include the following: Bellevue Elementary, Ed Smith Pre-K-8, Frazer Pre-K-8, Grant Middle, Huntington Pre-K-8, Public Service Leadership Academy at Fowler and Westside Academy at Blodgett. Preliminary planning is underway for projects at the following school buildings: Clary, Corcoran, Danforth, Expeditionary Learning, Henninger, Nottingham and Shea. In addition to the issuance of the Series 2018A Bonds, the JSCB anticipates the issuance of additional tranches of bonds to complete the Phase II projects.

### Program Overview

With the assistance of the Phase I Program Manager, the JSCB has closed out Phase I of the Program for various schools identified herein and as authorized by the Syracuse Schools Act. It is anticipated that ongoing costs of Phase II and subsequent phases of the Program will be funded by the issuance of one or more series of Project Bonds under separate Series Indentures. The total cost to complete all Phases of the Program (I-IV) is currently estimated to be approximately \$1.2 billion. Phases III and IV will be subject to future authorization by the State Legislature.

The public school facilities of the SCSD have not been updated or improved in a number of years. While in generally sound structural condition, many of the school buildings are currently inadequate to meet current instructional requirements for delivering a 21st century education.

It is the expectation of the City and the SCSD that through the payment of a portion of State Aid to Education constituting building aid ("*State Building Aid*"), the State will reimburse a substantial portion of the cost to reconstruct existing schools, including costs associated with the Series 2018A Project. For information regarding projection assumptions see "PROGRAM PARTICIPANTS - SCSD Financial Plan."

### The Series 2008 Project

A portion of the Series 2008A Bonds financed the following: (i) rehabilitation of, and the acquisition of equipment and furnishings for, Central Technical High School (the "*Central Tech Project*") and (ii) preparation of designs and specifications (the "*Design Phase*") for reconstruction and

rehabilitation of Blodgett School, Shea Middle School, Dr. Weeks Elementary, Clary Middle School, Fowler High School and H.W. Smith Elementary School (the Central Tech Project and the Design Phase, are herein collectively referred to as the “*Original Series 2008 Project*”). On July 6, 2009, the Issuer amended the purposes to be financed with the proceed of the Series 2008A Bonds to include the acquisition, construction, and installation of various improvements to the Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H.W. Smith Elementary School and Fowler High School (the “*Amended Series 2008 Project*” and together with the Original Series 2008 Project, the “*Series 2008 Project*”).

### **The Series 2010 Project**

A portion of the Series 2010 Bonds provided additional financing for the general reconstruction of the Institute of Technology, Shea Middle School, Dr. Weeks Elementary School, Clary Middle School, Fowler High School, H.W. Smith Elementary School, including site work, exterior and interior building improvements and additions, and mechanical and electrical upgrades.

### **The Series 2011 Project**

The Series 2011 Project, included the completion of the 2011 Dr. Weeks Project, the 2011 H.W. Smith Project and the 2011 Fowler Project (collectively the “Series 2011 Project”). The construction start date for the Phase I of the Project was July 2009, and the construction completion date was December 2013.

The total final cost of all of Phase I was approximately \$151,000,000. All Phase I contracts are closed.

### **The Series 2017 Project**

The Series 2017 Project consisted of the refunding by the Issuer of all of the outstanding Series 2008A Bonds, through the issuance on April 20, 2017 of its Series 2017 Bonds.

### **Phase II of the Program**

The first seven Phase II projects are approved by the Commissioner of NYSED and include the following: Bellevue Elementary, Ed Smith Pre K-8, Frazer Pre K-8, Grant Middle, Huntington Pre K-8, Public Service Leadership Academy at Fowler and Westside Academy at Blodgett. Preliminary planning is underway for projects at the following school buildings: Clary, Corcoran, Danforth, Expeditionary Learning, Henninger, Nottingham and Shea. The total estimated project cost of Phase II is \$291,500,000.

The Series 2018A Bonds are being issued to finance the costs of the Series 2018A Project including design and/or reconstruction, construction and rehabilitation of Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre K-8 School and Grant Middle School and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD at these schools. It is anticipated that permanent financing will occur in May 2018 for the projects at Public Service Leadership Academy at Fowler, Huntington Pre K-8 and Westside Academy at Blodgett.

It is anticipated that financing of the remaining projects will occur in the second quarter of 2019.

## **PROGRAM PARTICIPANTS**

### **The City**

The City is a municipal corporation and the fifth largest city in the State. The City encompasses a land area of 26 square miles in the north central portion of the State near Lake Ontario. According to 2016 interim data released by the U.S. Census Bureau, the City's population is 144,350 (a decline of 820 persons since the 2010 census).

The City, which was incorporated in 1848, operates under a Charter adopted in 1960 (the "Charter"). In accordance with its Charter, the City has a strong Mayor-Council form of government. The Mayor, as chief executive officer, is the head of the Executive Department and oversees all administrative functions. The Common Council performs all legislative duties.

The City is responsible for and provides the following general municipal services: police, fire, sanitation, street maintenance, parks and recreation, and property assessment. Air transportation is available at the Hancock International Airport, which is owned by the City and operated by the Syracuse Regional Airport Authority. The City operates a water system and is responsible for sewage collection. The County of Onondaga (the "County") provides sewage treatment. The City supports the cost of primary and secondary education expenditures, however, the SCSD is governed by an independently elected Board of Education whose members oversee the administration of the City's school system.

The Mayor is elected at a general election to serve a four-year term and may succeed himself / herself for one additional term. The current Mayor was elected in November 2017, and began his first four-year term on January 1, 2018. According to the City Charter, the Mayor is the chief executive officer of the City and appoints all department heads (except the City Auditor, who is elected) to serve at his or her pleasure. The Mayor is responsible for the day-to-day operations of the City government. The Common Council may override a mayoral veto subject to the terms and conditions specified in the Charter.

The Common Council is the legislative body of the City and consists of a Council President, four members elected at-large to serve four-year terms and five district members elected to serve two-year terms. It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, adopt and modify as required the City's operating and capital budgets, levy real property taxes and authorize the issuance of all indebtedness.

### **The SCSD and Board of Education**

The SCSD is governed by an independently elected seven-member Board of Education. Members are elected at-large to serve four-year terms; there is no restriction as to the number of terms that may be served. The Board of Education is responsible for managing the school system in accordance with the provisions of the State Education Law. A Superintendent of Schools is appointed by the Board of Education to administer policy and supervise the day-to-day activities of the SCSD. The SCSD prepares its own financial statements, which are audited separately from the financial statements of the City (the City and the SCSD utilize the same independent auditors). However, the City includes certain of the SCSD's statements in its financial statements.

The SCSD is primarily dependent upon the City for taxation and debt issuance. See "BONDHOLDERS' RISKS" herein. However, the SCSD receives significant portions of its operating budget from the State, the federal government and local sales tax collections. The Common Council of the City approves the budget of the SCSD but does not otherwise control the budget of the SCSD. According to the NYSED 2016-17 School Report Card of the SCSD, student enrollment for 2016-17 was

19,543 in grades K-12, which included ungraded elementary and ungraded secondary enrollments. In addition, the NYSED reported 1,749 students were enrolled in the SCSD's half and full day Pre-Kindergarten program for 2016-17. The SCSD operates 41 buildings, including 34 school buildings, and currently employs approximately 4,557 persons in full and part-time capacities, with 3,739 of these individuals represented through a collective bargaining unit. The following table sets forth certain actual and projected statistics relating to the school system.

**SCSD SYSTEM  
Fiscal Years June 30:**

|                                | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of Schools              | 33          | 33          | 35          | 35          | 35          | 34          |
| Student Enrollment*            | 19,763      | 20,328      | 20,084      | 19,951      | 19,625      | 20,136      |
| Instructional Staff** (1)      | 2,122.77    | 2,237.43    | 2,301.60    | 2,313.41    | 2,337.75    | 2,384.90    |
| Administrative Personnel (1)   | 128.35      | 132.60      | 151.85      | 154.74      | 158.60      | 151.60      |
| Non-Certified Personnel (1)(2) | 524.15      | 557.15      | 579.55      | 552.65      | 558.65      | 552.00      |

Source SCSD Chief Financial Officer and the NYSED Student Information Repository System.

\* Includes enrollment in grades K-12 (including ungraded elementary and ungraded secondary schools). Excludes pre-K enrollment.

\*\* Instructional staff includes: teachers, teaching assistants, pupil services, adult education and instructional support staff.

(1) Paid from the SCSD General Fund, excludes personnel paid from federal grants or food service

(2) Includes clerical, custodial, transportation, maintenance, instructional aides, exempt personnel and other full-time non-certified personnel

**Charter Schools**

A charter school can be a public school and is financed through public, local, State, or federal funds but is independent of local school boards. The authority of the charter school to provide education is through a "charter," a type of contract, between the charter school board of trustees and one of the chartering entities that has been approved and issued by the Board of Regents. School districts in the State are required to pay an amount to the charter school for each resident pupil so enrolled that is equal to the approved operating expense per pupil of the school district. The exact amount payable for each pupil equals the product of the approved operating expense per pupil and the full-time-equivalent enrollment of the students in the charter school.

There are currently three charter schools operating in the City. Enrollments at these schools increased from 1,565 students in the 2016-17 school year to 1,801(projected) in the 2017-18 school year. According to SCSD officials, in 2017-18 charter school funding is \$12,930 per student for regular education, \$6,572 per student for 20% special education, and \$12,048 per student for 60% special education, for a projected total of approximately \$24.3 million. In the 2016-17 school year, the amount of charter school funding was \$12,430 per student for regular education, \$6,458 per student for 20% special education, and \$11,840 per student for 60% special education, for a total of \$19.7 million. Increases are due to increases in expected charter school enrollment.

**SCSD Budget — Year Ending June 30, 2018**

The SCSD general fund budget for fiscal year ending June 30, 2018 that was submitted to the Mayor for inclusion in the Citywide budget, requested approval for total spending of \$427.7 million. Such budget was approved on May 8, 2017 by the Common Council at the City, after making certain line item changes and decreasing the aggregate spending amount to \$417.6 million. The Mayor approved the SCSD 2017-18 budget on May 22, 2017.

The SCSD 2017-18 general fund budget provides for total appropriations for operations of \$417.6 million, including other financing sources. Estimated revenue and financing sources for the budget with applicable percentages are as follows: State Aid to Education of \$334.6 million (80.1%); the City provides \$58.8 million, derived from property tax collections (14.1%) and \$6.5 million from School Tax Relief (1.6%); federal aid of \$1.69 million (0.4%); sales tax collections of \$0.6 million (0.2%) and miscellaneous revenue of \$6.4 million (1.5%). The 2017-18 general fund budget of SCSD also includes an \$8.9 million appropriation of fund balance, 2.1% of total appropriations for the year.

The SCSD applies for, and historically has received, approval for a significant number of categorical State and federal grants. For 2016-17 the SCSD received \$74,468,404 in grants SCSD officials expect \$81,400,000 in such funds during 2017-18. These grants are accounted for in the SCSD's "Special Revenue Fund" and are not part of the SCSD's general fund budget. Of the \$74,468,404 in grants received in 2016-17, \$39,517,061 was from federal sources. SCSD officials expect that of the \$81,400,000 projected to be received during 2017-18, \$41,305,977 will be from federal sources. (see "BONDHOLDERS' RISKS – Executive Order on Sanctuary Cities")

Following is a summary of the adopted general fund budget for the fiscal year ending June 30, 2018:

**SUMMARY ADOPTED GENERAL FUND BUDGET  
FISCAL YEAR ENDING JUNE 30, 2018**

|  | <u>2017-18<br/>School District<br/>General Fund</u> |
|--|---|
| <b>ESTIMATED REVENUE:</b>                  |   |
| Real Property Taxes <sup>(1)(2)</sup>      | \$65,334,787  |
| Sales Tax                                  | 637,989   |
| Departmental Income                        | 150,000   |
| Use of Money and Property                  | 100,000   |
| Sale of Property and Compensation for Loss | 188,100   |
| State and Federal Aid                      | 336,312,977   |
| Other Revenue                              | 1,190,000   |
| Transfers In                               | 4,750,000   |
|  | <u>408,663,853</u>                                  |
| <b>APPROPRIATION EXPENSE:</b>              |   |
| Operating Expenses                         | 393,037,341   |
| Debt Service & Transfers Out               | 24,526,512  |
|  | <u>17,563,853</u>                                   |
| Excess (Deficiency)                        |   |
| Estimated Revenue Over Appropriations      | <u>(8,900,000)</u>                                  |
| <b>APPROPRIATED FUND BALANCE</b>           | <u><u>\$ 8,900,000</u></u>                          |

(1) Includes School Tax Relief Aid.

(2) See "BONDHOLDER'S RISK - Tax Levy Limitation Bill," herein.

## **SCSD Financial Plan**

The following section relating to the SCSD's financial plan was provided by SCSD officials.

The SCSD maintains a 5-year financial plan for the General and Special Aid Funds. Such plan includes projections for the fiscal years 2017-18 through 2021-22.

General Fund revenue is projected to grow in each year of the forecast. Revenue is projected to increase by \$13.74 million (3.4%) in 2018-19 and \$12.7 million (2.90%) in 2019-20. Thereafter annual revenue growth is projected at \$12.5 million (3.00%) in fiscal year 2020-21, and \$13.2 million (3%) in fiscal year 2021-22. Real property tax revenues are projected to remain relatively flat through fiscal year 2021-22. See "Tax Levy Limitation," herein. State Aid to Education, which currently makes up 80% of estimated revenue for the SCSD's General Fund budget, is projected to increase 3.3% in fiscal year 2018-19. Thereafter, State Aid is projected to increase 4.5% in 2019-20, 3.4% in 2020-21, and 3.3% in fiscal year 2021-22, based upon the SCSD's expectation that it will receive such aid. Based on the SCSD's assumptions, State Aid to Education would constitute approximately 84% of total general fund revenue by fiscal year 2021-22.

Funding for special aid programs is projected to be \$81.4 million in fiscal year 2017-18, and decline to \$67.2 million in fiscal year 2018-19 and \$64.9 million in 2019-20. Special aid revenue is projected to decrease to \$63.9 in 2020-21 and remain the same in 2021-22.

The SCSD plans to closely manage contractual services, health care expenses, and staffing in order control costs during the five years of the financial plan. Total full-time employment is anticipated to increase by 114 positions in 2017-18. Staffing is projected to remain constant or decline for the remainder of the forecast. The SCSD financial plan projects that \$8.9 million in fund balance will be used to balance the budget in 2017-18. Assigned and unassigned fund balance as of June 30, 2017 was \$43.8 million, and is projected to decline to \$34.9 million as of June 30, 2018 and decrease by \$8 million per year in 2018-19 and 2019-20, and by \$7 million in 2020-21. No use of fund balance is assumed in 2021-22

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The revenue and expenditure projections presented in the School District's plan are as follows:

| <b>Financial Plan for the Years Ending 2018 – 2022</b> |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> |
|  | (000's)        | (000's)        | (000's)        | (000's)        | (000's)        |
| <b>General Fund:</b>                                   |                |                |                |                |                |
| Revenue  | \$408.7        | \$422.4        | \$434.9        | \$447.6        | \$460.8        |
| Expenditures <sup>(1)</sup>                            | -417.6         | -430.4         | -442.9         | -454.6         | -460.8         |
| Use of Fund Balance                                    | <u>8.9</u>     | <u>8.0</u>     | <u>8.0</u>     | <u>7.0</u>     | <u>0.0</u>     |
| <b>Projected Fund Balance</b>                          |                |                |                |                |                |
| June 30th <sup>(2)</sup>                               | \$34.9         | \$26.9         | \$18.9         | \$11.9         | \$11.9         |
| <b>Special Aid Fund:</b>                               |                |                |                |                |                |
| Revenue  | \$81.4         | \$67.2         | \$64.9         | \$63.9         | \$63.9         |
| Expenditures   | 81.4           | 67.2           | 64.9           | 63.9           | 63.9           |
| Use of Fund Balance                                    | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     |

(1) Staff positions increased by 114 in 2017-18. Staffing is projected to decrease or remain constant for the remainder of the forecast.

(2) Reflects both assigned and unassigned portion of fund balance.

The projections set forth in the SCSD's 5-year financial plan are based on the expectations of SCSD officials about future events, economic performance and other items which are beyond the control of the SCSD. Such statements should not be construed as statements of fact and actual results may differ materially from the projections of SCSD officials.

Source: SCSD Officials.

## **Employee Benefit Plans**

### *General Information*

SCSD participates in the State and Local Employees' Retirement System ("ERS") and the State Teachers' Retirement System ("TRS"). Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). 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 five years of credited service and are based on the projected unit credit method of valuation (see discussion of recently implemented Tier V, which increases vesting period to 10 years).

NYSRSSL provides that 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 (See below). Generally, all employees, except certain part-time employees, participate in the systems. ERS and TRS are generally noncontributory systems except that members with less than 10 years of credited service must contribute 3% of their salary for retirement benefits (However, see below for information on the recently implemented Tier V for new TRS and ERS members).

## **Retirement System Billing Procedures**

### *TRS*

TRS contributions are paid as a reduction in State Aid to Education payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

### *ERS*

The City's contributions to ERS historically were due on or before December 15 of each year, however legislation changed the date to February 1, effective February 2005 (see below). Such contributions are based on salary estimates for the fiscal year ending on March 31 of the next calendar year.

## **Pension Reform**

The State enacted pension reform legislation in 2003 and 2004, which changed the methods for determining contributions to ERS by participating member employers such as the SCSD and enacted certain other changes described herein.

Chapter 49 of the Laws of 2003 established minimum annual contributions to ERS and modified the billing cycles to better match the budget cycles of participating members. The valuation date for ERS was changed from April 1 in the year of contribution to April 1 of the second calendar year preceding the contribution due date. Employers now have better information for budgeting retirement costs as a result of the change in the valuation date. The legislation provided that minimum retirement contributions will be made by employers each year including for those years in which favorable investment returns would permit lower contributions.

Chapter 260 of the Laws of 2004 changed the due date for ERS contributions from December 15 to February 1, effective for contributions scheduled for payment on December 15, 2004 and thereafter. The period for amortizing excess contributions was increased from five years to ten years. ERS contributions were amortized through the State at market rates of interest determined by the State Comptroller. Alternatively, employers were authorized to issue taxable bonds to finance their eligible excess contributions. ERS members were authorized to amortize contributions due in 2006 and 2007 if such contributions exceed 9.5% and 10.5% of payroll, respectively. SCSD officials have indicated that all ERS contributions which were eligible for amortization were paid in full.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On September 1, 2016, the State Comptroller announced for Fiscal Year 2017-18, the average contribution rate for ERS decreasing from 15.5% to 15.3%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employee's salary base during the period of April 1, 2017 through March 31, 2018. Payments based on those rates are due by February 1, 2018, but may be prepaid by December 15, 2017.



**Retirement Contributions**

The SCSD adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. This statement required the addition of several lines to the SCSD government-wide financial statements and a cumulative change in accounting principle adjustment to net position as shown on page 21 of the audited financial statements for the fiscal year ended June 30, 2017.

The SCSD also adopted GASB Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement required accounting for the impact of the payment the SCSD made to the New York State Retirement Systems during the fiscal year on the SCSD's portion of net pension asset from TRS.

Deferred outflows of \$128.0 million and deferred inflows of \$11.3 million, an increase of \$83.2 million and a decrease of \$29.2 million, respectively from the prior year, were also recognized in the fiscal year ended June 30, 2017 in accordance with GASB Statement No. 68 and 71 for the SCSD's share of the ERS and TRS pensions.

See "Notes to Financial Statements" in the SCSD's audited financial statements for the fiscal year ended June 30, 2017.

For the years ended June 30, 2013 through 2017 and the amounts budgeted for 2018, the SCSD's contributions to the SRS are as follows:

| <u>Fiscal Year</u><br><u>Ended June 30:</u> | <u>SCSD Contributions <sup>(1)</sup></u> |                   |
|---|--|-------------------|
|   | <u>ERS</u>                               | <u>TRS</u>        |
| 2013  | 6,596,280                                | 21,252,794        |
| 2014  | 6,769,452                                | 19,671,858        |
| 2015  | 5,816,753                                | 27,027,205        |
| 2016  | 5,655,864                                | 29,174,990        |
| 2017  | 5,408,869                                | 25,031,917        |
| 2018 (Budget)                               | <u>5,649,960</u>                         | <u>22,634,640</u> |

(1) Does not include City contributions.

Source: The Audited Financial Statements and SCSD officials.

See "Notes to Financial Statements" in the audited financial statements for the fiscal year ended June 30, 2017.

**Accounting for Retirement Costs**

Effective for the fiscal year ended June 30, 2005, the City and the SCSD changed the method of accounting for retirement costs from a cash basis to an accrual basis.

In connection with the conversion to full accrual accounting for retirement benefits, the SCSD received a \$5 million special apportionment of State Aid to Education provided to mitigate the effects of this change. The SCSD repaid the special apportionment of State Aid to Education in September 2005 and no further aid apportionments were required to make the transition to accrual accounting for retirement expenses.

### **Post Employment Benefits**

In addition to providing pension benefits, the SCSD provides certain health care benefits to retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by SCSD may vary according to length of service. Substantially all of the SCSD's employees may become eligible for those benefits if they reach normal retirement age while working for SCSD. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

In June 2004, the Government Accounting Standards Board ("GASB") has issued its Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (the "GASB 45 Statement") which requires governmental employers to measure and disclose an amount for annual other postemployment benefits ("OPEB") on an accrual basis of accounting. Under the proposed new standards, annual OPEB costs would be equal to the employer's required annual contribution ("ARC"), with certain adjustments for past under-or over OPEB contributions. The ARC is defined as the required contribution including normal costs and charges for unfunded actuarial liabilities, which may be amortized over a period not to exceed thirty years. The GASB 45 Statement first applied to the SCSD for the fiscal year ended June 30, 2008.

#### *Actuarial Valuation Report*

The SCSD separately engaged an actuarial firm to value the other postemployment benefits with respect to their employees. Such valuation was completed and the actuary's report issued. The report was prepared as of July 1, 2015 and forms the basis of the information required by GASB 45 to be reported in the SCSD's entity wide statements for the year ended June 30, 2017. Pursuant to the valuation, the SCSD's accrued actuarial liability ("AAL") is approximately \$602,635,036 and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$228,301,311 and the ratio of the liability to the covered payroll was 263.96%. The SCSD's ARC for 2017 was \$51,026,363. The annual OPEB cost for fiscal 2017, which includes the ARC, interest on net OPEB obligations (\$18,483,451) and an adjustment to the ARC (minus \$26,722,495), was \$42,787,319. After deducting contributions made of \$18,540,725, the net increase in the SCSD net OPEB obligation for the year was \$24,246,594. See "Notes to Financial Statements- Note 8" (page 49) in the audited financial statements of the SCSD for the fiscal year ended June 30, 2017.

In the most recent actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.00% investment rate of return, which is based on the portfolio of the SCSD's general assets used to pay these benefits and an annual health care cost trend rate of 7.25% initially, decreasing to 3.89% after sixty years for Pre-65 individuals and 5.70% initially, decreasing to 3.89% for Post-65 individuals after sixty years. The prescription cost trend begins at 10.50% initially and decreases to 3.89% after sixty years. The Medicare Part B cost trend begins at 5.70% initially and decreases to 3.89% after sixty years. Both rates include a 2.25% inflation assumption. The UAAL is being amortized based on a level percentage of projected payroll on an open basis. The remaining amortization period as of June 30, 2017 was 30 years.

The funding status of the SCSD’s retiree medical program is as follows:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL) -<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) |
|--------------------------------|--|--|------------------------------------|--------------------------|
| 07-01-15                       | \$ -0-                                 | \$602.6 M  | \$602.6 M                          | 0.0%                     |

See “Schedule Of Funding Progress For Postemployment Benefits For The Year Ended June 30, 2017” (page 53) in the audited financial statements of the SCSD for the fiscal year ended June 30, 2017.

**The JSCB**

The JSCB has been authorized by the Syracuse Schools Act, in conjunction with the Issuer, to assist in the reconstruction, equipping and furnishing of public schools in the City which is commonly referred to as the planned comprehensive SCSD wide reconstruction program. The JSCB has completed Phase I of this program and is currently undertaking Phase II. Phases III-IV of the reconstruction program are contingent upon State authorization (See “The Program” herein).

The JSCB is comprised of seven (7) Board Members, consisting of: the Mayor, the Superintendent of the SCSD, three (3) additional members appointed by the Mayor, and two (2) additional members appointed by the Superintendent of the SCSD.

**New York State Education Department**

The management, regulation and funding of the SCSD is subject to the review of the New York State Education Department (the "SED"). The SED has also determined State Building Aid reimbursement for improvements to school facilities undertaken in accordance with the Program. The SED is the administrative agency of the Board of Regents (the "Board of Regents") of the University of the State of New York (the "University"). The Board of Regents was established by an act of the State Legislature in 1784 and is vested with constitutional responsibility for determining and formulating State educational policy. The University, over which the Board of Regents presides, is a corporation authorized to charter, review and regulate educational institutions and activities within the State. The University encompasses all State educational programs, from kindergarten through graduate and professional schools and includes libraries, museums and other related cultural and educational institutions as may be admitted to the University or incorporated by the Board of Regents. It consists of almost 6,000 elementary and secondary public and private schools and 250 independent and public colleges and universities.

**The Program Manager**

Pursuant to the provisions of the Syracuse Schools Act, the Phase I and Phase II Program Managers (the “Program Managers”) were selected by the JSCB to implement the first two phases of the Program under the supervision of the City Engineer. Pursuant to the respective Program Manager Agreement for the Program Managers, the Program Managers are obligated and required to provide construction consulting and oversight services for the JSCB with respect to all stages of predevelopment, development, construction and reconstruction with regard to Phase I and Phase II of the Program.

Specifically, the Program Managers have the duty to manage and oversee all aspects of all projects undertaken pursuant to the Syracuse Schools Act, to wit: (1) develop and implement procedures for projects undertaken and contracted for by the JSCB; (2) review plans and specifications for such projects; (3) develop project budgets and assist the JSCB; (4) create a training program to ensure a supply of skilled labor for the Program; (5) execute and manage a project labor agreement if required by the JSCB; and (6) provide construction management services for the Program. The Program Managers will present all contract or payment requests to the City Engineer for preliminary review and approval. The City Engineer will then, after being satisfied that all contract conditions have been met, forward each requisition with respect to the Program to the JSCB for approval in summary form.

**State Aid to Education**

*General*

The SCSD receives substantial financial assistance from the State. For the 2017-18 fiscal year, the SCSD’s general fund budget includes approximately 80.1% of its estimated revenues in the form of State Aid to Education, including other financing sources. State Aid to Education for public schools comes primarily from the State’s general fund wherein the major revenue source is the State income and sales taxes. The balance of State Aid to Education for public schools comes from a special revenue fund account supported by lottery receipts.

The following table sets forth the total amount of State Aid to Education received by the SCSD for fiscal years ended June 30, 2007 through 2017 and the amount included in the budget for the 2017-18 fiscal year and the proposed Executive Budget for the 2018-19 fiscal year:

State Aid to Education  
For Fiscal Years June 30:  
(000’s)

| Year          | State Aid to Education<br>Received <sup>(1)</sup> |
|---------------|---|
| 2007          | \$190,955   |
| 2008          | 246,283   |
| 2009          | 267,367   |
| 2010          | 251,804   |
| 2011          | 245,158   |
| 2012          | 254,117   |
| 2013          | 285,209   |
| 2014          | 285,290   |
| 2015          | 285,722   |
| 2016          | 296,187   |
| 2017          | 320,555   |
| 2018 (Budget) | 334,628   |

*Source: SCSD Officials*

(1) Excludes School Tax Relief (“STAR”) aid

The aggregate of estimated maximum annual Installment Purchase Payments with respect to all Project Bonds outstanding and the Series 2018A Bonds is \$\_\_\_\_\_.

The amount of State Aid to Education estimated to be received by the SCSD in the fiscal year ending June 30, 2018 is \$334.6 million and has averaged approximately \$294.6 million over the five fiscal years ended June 30, 2017.

No assurance can be given that the amount of State Aid to Education will continue or be available in these amounts in future fiscal years. (See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment" and "APPENDIX A — Certain Financial Information and Audited Financial Statements of the Board of Education of the City School District of the City of Syracuse.")

Beginning with the 2007-08 fiscal year, the majority of State Aid to Education received by the SCSD has been "Foundation Aid." Foundation Aid was established by the 2007-08 State budget and combined four categorical aid grants with certain other formula aids. Formula aids consist of State Aid to Education determined in accordance with an application submitted to SED, which incorporates required data concerning district enrollment, attendance and approved expenditures. As a result of poor economic conditions then affecting the State, no increase in Foundation Aid was received by the SCSD in fiscal years 2009-10, 2010-11, or 2011-12. The SCSD received its first increase in Foundation Aid since 2008-09 with the adoption of the 2012-13 New York State Budget and has since received increases each year. Foundation Aid may decline in the future and no assurance can be given that Foundation Aid will continue at its current level. In addition, no assurance can be given that other categories of State Aid to Education will continue at current levels or will increase in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."

The receipt of Foundation Aid is dependent upon, among others, satisfaction of certain monitoring and expenditure requirements. In addition, within Foundation Aid there are stipulations that the SCSD must use a formula-based amount on new programs, or expansion of existing programs, to improve student achievement, as outlined in the Contract for Excellence ("CFE"). For fiscal years 2016-17 and 2017-18, the total CFE set-aside is expected to be \$12.7 million for each fiscal year. In addition to the CFE set aside, the SCSD 2016-17 budget included a new component of Foundation Aid which includes a \$10.2 million set aside for community schools. In 2017-18 the budgeted community schools set aside is \$11.7 million. Such set aside contains spending requirements and restrictions similar to those in the Contract for Excellence.

Another State Aid to Education category, Charter School Transitional Aid, was established in the 2007-08 State Budget to help provide relief from the financial drain caused by the significant number of charter school students in certain school districts, including the SCSD. This aid continues on a rolling basis so long as charter school enrollment continues to increase. The following table indicates the amount of Charter School Transitional Aid received by the SCSD in each of the fiscal years June 30, 2012 through 2017, and as budgeted for 2018.

| <u>Fiscal Year:</u> | <u>Charter School<br/>Transitional Aid:</u> |
|---------------------|---|
| 2012                | \$1,708,376                                 |
| 2013                | 2,488,598                                   |
| 2014                | 2,238,068                                   |
| 2015                | 1,453,074                                   |
| 2016                | 2,152,172                                   |
| 2017                | 1,589,032                                   |
| 2018 (Budget)       | 2,063,380                                   |

In addition to Charter School Transitional Aid, beginning with the fiscal year 2015-16, the State established another aid category called Charter School Supplemental Tuition Reimbursement, which reimburses the SCSD for any amounts in base tuition paid in the prior year that exceed the 2010-11 base

tuition of \$11,930 per pupil. The SCSD received Charter School Supplemental Tuition Reimbursement in the amount of \$0.4 million in fiscal year 2015-16 or \$256 per charter school pupil. In 2016-17 this aid was \$0.5 million or \$350 per charter school pupil. In 2017-18 this aid is budgeted to be \$0.8 million or \$500 per charter school pupil.

The SCSD receives State Aid to Education in multiple installments throughout its fiscal year based on a formula established by SED. Cash distributions of this aid are net of the SCSD's required contributions to the Teachers' Retirement System, which are generally withheld for distributions in the months of September, October and November.

The 2017-18 Enacted State Budget included a provision linking the payment of additional State Aid to compliance with a modified teacher evaluation process which provides that school districts will not be eligible for aid unless they have negotiated the optional components of evaluations with their local unions and obtained State approval by September 1, 2017. The SCSD is in compliance with the modified teacher evaluation process.

Payment of State Aid to the SCSD may be withheld due to the failure of the City or the Board of Education to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes. In addition, the State may withhold aid if the SCSD fails to meet the deadline for submitting its independent audit report to the State Education Department. Pursuant to Section 2116-a of the Education Law, the SCSD must file such report no later than January 1<sup>st</sup>, however, the State has granted school districts a 30-day "grace period" before aid is withheld. The SCSD filed its report for fiscal year 2016-17 within such grace period. The City and the Board of Education believe that they are in material compliance with all other requirements and have made the necessary debt service appropriations.

As stated below under "State Aid Intercept," in the event the SCSD and the City fail to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that upon receipt by the State Comptroller of a certificate from the Trustee on behalf of the Issuer stating the amount of such failed payment, the State Comptroller shall withhold any State and/or school aid from the SCSD and the City payable thereto to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The Syracuse Schools Act provides that (x) any amount of State and/or school aid paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State and/or school aid at any particular level or amount. No assurance can be given that present State and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. If in any year the State fails to adopt its budget in a timely manner, municipalities and school districts in the State, including the City and the SCSD, may be adversely affected by a delay in the payment of State and/or school aid.

#### *State Building Aid*

A portion of State Aid received each year by the SCSD constitutes State Building Aid. State Building Aid is available for certain approved capital improvements to school buildings housing elementary and/or secondary students, and for school bus garages. A project is not eligible for aid unless

the construction costs of the project are equal to or exceed \$10,000, excluding incidental costs. Consistent with Section 3602, subdivision 6 of the Education Law, construction may include the construction of new buildings or additions, alterations and the reconstruction of existing facilities.

The purpose of State Building Aid is to assure that each school district provides suitable and adequate facilities to accommodate its students and programs. To this end, new facilities, new buildings, additions, major alterations must meet specific standards pertaining to the type, size and number of teaching stations, as well as building code requirements. Existing facilities must meet health and safety regulations, and reconstruction of existing facilities must meet building code requirements.

The Commissioner of Education must approve plans and specifications for the capital construction projects undertaken by the SCSD. This charge is administered by the Office of Facilities Planning pursuant to Section 408 of the Education Law and Part 155.2 of the Regulations of the Commissioner of Education.

Eligibility for new construction is determined through an assessment of information contained in the SCDC's long-range plan, and includes educational need, a comparison of pupil enrollment projections, and the rated pupil capacity of existing buildings. In the case of school buildings, State Building Aid is a function of the pupil capacity assigned to the capital construction project.

The SCSD received a building aid ratio of 98% from the State on eligible expenses for Phase I projects. State Building Aid fluctuates from year to year based on a number of factors, including the ratio of the City's wealth to the State's average wealth. Currently, SCSD State Building Aid is at 98% for new projects, which SCSD officials anticipate will be the building aid ratio for eligible Phase II projects.

**The State is not obligated to continue to make State Building Aid payments. No assurance can be given that State Building Aid will continue to be received by the SCSD or the City or, if received, will be in amounts comparable to the amounts of State Building Aid received by the SCSD or the City in the past. State budgetary restrictions could eliminate or substantially reduce State Building Aid in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."**

Pursuant to Chapter 383 of the Laws of 2001 ("Chapter 383"), certain provisions of the Education Law have been amended to impose an "assumed amortization schedule" on certain debt incurred by the City for school construction purposes and to thereby revise the manner in which State Building Aid is to be paid to the SCSD with respect to school debt in fiscal years commencing July 1, 2002. Chapter 383 requires that the State Education Department reset the interest rate used to calculate the "assumed amortization schedule" at least once every 10 years. The State's 2017-18 Enacted Budget provides for the reset to be postponed until the State's 2017-18 Fiscal Year. The SCSD has applied for a partial waiver from the interest rate reset for the 2017-18 fiscal year.

Subject to certain limited exceptions, assumed amortization for capital construction projects approved by the Commissioner of SED on and after July 1, 2011 will begin on the later of 18 months after SED approval or when the final cost report and certificate of substantial completion have been received by SED.

### **New York State Budget Process**

*The following discussion is included because all payments under the Installment Sale Agreement will be derived from State Aid to Education, which State Aid to Education is subject to annual appropriation by the State Legislature.*

The State's budget process is based on an executive budget system under which the Governor is required by the State Constitution to seek and coordinate requests from agencies of the State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the State Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months, until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

#### *Agency Budget Preparation (June–September/October)*

The formal budget cycle begins when the Budget Director (the "Budget Director") of the Division of the Budget of the State (the "Division of the Budget") issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the Issuer heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget.

#### *Division of the Budget Review (September/October–December)*

Agencies typically submit their budget requests to the Division of the Budget in September or October, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of agencies for which they have responsibility. In November, the Budget Director conducts a series of constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an "on-the-record" opportunity to raise critical questions on programs, policies and priorities.

Through late November, the Division of the Budget's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Budget Director. The staff also prepares the appropriation bills and any other legislation required to carry out these recommendations. By early December, the Division of the Budget will normally have completed its recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepares the tables and the narrative that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

#### *The Governor's Decisions (November–January)*

The Governor and staff, who are also preparing the annual message to the State Legislature (the "State-of-the-State" message which the Governor presents to the State Legislature when it convenes in January), are conversant with the budget throughout its development.

#### *Legislative Action (January–March)*

The Governor typically submits the Executive Budget to the Legislature in mid-January or following a gubernatorial election year, by February 1, along with the related appropriation, revenue and other budget bills concerning State operations, aid to localities, capital projects and debt service. The State's Five-Year Capital and Financing Plan is also submitted with the Executive Budget. Within 10 days, the Division of the Budget provides the State Legislature with additional financial information



supporting the Executive Budget. A three-year financial projection is submitted no later than 30 days following submission of the Executive Budget.

The Legislature, primarily through its fiscal committees - Senate Finance and Assembly Ways and Means - then analyzes the Executive spending proposals and revenue estimates, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Following that review, the State Legislature acts on the appropriation bill submitted with the Executive Budget to reflect its decisions.

The appropriation bills, except for those items which were added by the State Legislature and the appropriation for the State Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the State Legislature and Judiciary and may use the line item veto to disapprove items added by the State Legislature. As provided in the Constitution, the State Legislature may override the Governor's veto by the vote of two-thirds of the members of each house. The passage of the appropriation bills provides a legal foundation for the disbursement of funds during the new fiscal year.

#### *Budget Execution (March)*

At this point the budget process enters a new phase-budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the State Legislature, as required by law, in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year.

#### *Possible Delays in Budget Enactment*

While the Enacted State Budgets were timely adopted, in the past, adoption of State budgets for the last five State fiscal years has been significantly delayed beyond the time frames outlined above. Any delay in adoption of the State budget could delay the payment of State Aid to Education to municipalities and school districts in the State, including the SCSD and the City, which could, in turn, adversely affect the ability of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement. See "BONDHOLDERS' RISKS — The State's Financial Condition, Reduced State Aid, Delayed Payment."

#### *Revenue Anticipation Notes*

The City issues revenue anticipation notes each year on behalf of the SCSD. Such notes are issued in anticipation of State Aid to Education estimated in the general fund budget of the SCSD. Proceeds of revenue anticipation notes may be used only for operating purposes and may be used to redeem or renew outstanding notes.

Pursuant to Section 25.00(g) of the Local Finance Law, generally, whenever the amount of revenue anticipation notes outstanding equals the amount of revenue remaining to be received, the City is required to set aside in a special bank account all of such moneys as received thereafter, and to use the amounts so set aside only for the purpose of paying such notes. Interest on the notes is provided from budget appropriations.

Revenue anticipation notes may be renewed from time to time, however, such renewals may not be extended beyond the close of the second fiscal year succeeding the fiscal year in which the notes were originally issued. In the event such revenue has not been fully received by the final maturity dates of the notes issued in anticipation thereof, the principal of and interest on the notes is required to be paid from other available City moneys. The faith and credit of the City are required to be pledged to the payment of principal of and interest on these notes.

The City issued \$51,805,000 revenue anticipation notes on behalf of the SCSD on October 5, 2017 in anticipation of State Aid to Education for the 2017-18 fiscal year. Such notes are payable on June 29, 2018. The SCSD anticipates another cash flow borrowing in the fall of 2018. Over the past five fiscal years, including 2017-18, the City has issued an average of \$53.6 million revenue anticipation notes each year for SCSD purposes.

The State Aid Depository Agreement provides that notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustee and the Trustee, upon receipt of written instructions from the City together with an accompanying monthly payment schedule indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the repayment of the outstanding revenue anticipation notes issued by the City on behalf of the SCSD (the "RAN Repayment Requirement"), then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the principal amount of such RAN Repayment Requirement then outstanding. Notwithstanding the foregoing, in the event the SCSD or the City shall fail to pay an Installment Purchase Payment under the Installment Sale Agreement, the intercept provisions of the Syracuse Schools Act and the Indenture will operate to intercept any state and/or school aid payable to the City or the SCSD to the extent of such deficiency prior to the payment of such state and/or school aid to the SCSD or the City in accordance with the State Aid Depository Agreement. Accordingly, such state and/or school aid will be intercepted to pay Installment Purchase Payments under the Installment Sale Agreement prior to its application by the City to the payment of outstanding revenue anticipation notes of the City.

## **THE ISSUER**

The City of Syracuse Industrial Development Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State. The Series 2018A Bonds are authorized and issued by the Issuer under the provisions of the Constitution and Laws of the State, particularly the Act and the Syracuse Schools Act.

The Issuer is comprised of five members. The following are the members of the Board of Directors of the Issuer:

Michael Frame – Chairman  
Stephen P. Thompson – Vice Chairman  
Kenneth J. Kinsey – Member  
Rickey T. Brown – Secretary  
Kathleen Murphy – Treasurer

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## PLAN OF FINANCING

The proceeds of the Series 2018A Bonds will be used to (i) finance a portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. The total cost of the Series 2018A Project is estimated to be approximately \$76.8 million. Proceeds of the Series 2018A Bonds will be disbursed by the Series 2018A Trustee to pay a portion of the costs of the Series 2018A Project based on requisitions submitted to the Series 2018A Trustee in accordance with the Indenture.

Capitalized interest will be deposited in the Bond Fund under the Indenture and will be applied to the payment of interest on the Series 2018A Bonds through and including May 1, 2019.

## SOURCES AND USES OF FUNDS

### Sources of Funds

|  |          |
|--|----------|
| Series 2018A Bonds                     |          |
| Principal Amount of Series 2018A Bonds | \$ _____ |
| Original Issue Premium                 | \$ _____ |
| Total Sources of Funds                 | \$ _____ |

### Uses of Funds

|                                     |          |
|-------------------------------------|----------|
| Project Fund                        | \$ _____ |
| BAN Principal Redemption            | \$ _____ |
| Capitalized Interest <sup>(1)</sup> | \$ _____ |
| Costs of Issuance <sup>(2)</sup>    | \$ _____ |
| Total Uses of Funds                 | \$ _____ |

(1) Through and including May 1, 2019 for the Series 2018A Project.

(2) Includes Issuer fee, State Bond Issuance Charge, underwriters' discount and certain other costs.

## THE SERIES 2018A BONDS

### General

The Series 2018A Bonds will be initially issued in book-entry-only form as a single authenticated fully registered certificate for each maturity of each series of the Series 2018A Bonds. See "THE SERIES 2018A BONDS—Registration and Payment—Book-Entry System."

The Series 2018A Bonds shall be dated, mature on the dates and in the principal amounts, and bear interest payable on the dates and at the annual rates, as set forth on the inside cover page hereto.

Interest on the Series 2018A Bonds shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to

the contrary, the interest rate borne by the Series 2018A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

The principal or Redemption Price of the Series 2018A Bonds shall be payable at the principal corporate trust office of the Trustee in Buffalo, New York or at the corporate trust office of any successor Paying Agent. Interest on the Series 2018A Bonds shall be payable to the Person whose name appears on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in original aggregate principal amount of the Series 2018A Bonds, upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that, if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date with respect to the Series 2018A Bonds, the defaulted interest shall be paid to the owners in whose names the Series 2018A Bonds are registered at the close of business on a special record date to be fixed by the Trustee, which date shall not be more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Interest payments made by check or draft shall be mailed to each owner at his or her address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his or her notice requesting payment by wire transfer.

#### **Exchange of Series 2018A Bonds**

The holders of any Series 2018A Bonds may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2018A Bonds of any of the authorized denominations of the same maturity and maturities as the Series 2018A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to: (i) transfer or exchange any Series 2018A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2018A Bonds to be redeemed; or (ii) transfer or exchange any Series 2018A Bonds selected, called or being called for redemption in whole or in part.

#### **Transfer of Series 2018A Bonds**

Each of the Series 2018A Bonds is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee by the registered owner thereof in person, or by his duly authorized attorney-in-fact, upon surrender of such Series 2018A Bond (together with a written instrument of transfer in the form appearing on such Series 2018A Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2018A Bond in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the SCSD, the City, the JSCB, the Bond Registrar, the Trustee and the Paying Agent may deem and treat the person in whose name a Series 2018A Bond is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price thereof and interest due thereon and for all other purposes whatsoever.

## **Redemption of the Series 2018A Bonds**

### *Optional Redemption of the Series 2018A Bonds*

The Series 2018A Bonds maturing on or prior to May 1, 2026 are not subject to redemption prior to the maturity thereof.

The Series 2018A Bonds maturing on and after May 1, 2027 are subject to redemption, in whole or in part, at any time on or after May 1, 2026 (but if in part in integral multiples of \$5,000), at the option of the Issuer (which option shall be exercised upon the giving of notice by an Authorized Representative of the City of its intention to prepay Base Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued to the date of redemption.

### *Mandatory Redemption of the Series 2018A Bonds*

The Series 2018A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent: (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2018A Project; or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

## **Selection of Series 2018A Bonds to be Redeemed**

If the Series 2018A 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 Series 2018A Bonds, the Issuer will cause notice of redemption to be given in accordance with the provisions of the Indenture. The selection of the book-entry interests within each Series 2018A Bond maturity to be redeemed will be done in accordance with the provisions of the Indenture and DTC procedures.

## **Redemption Procedures**

If any of the Series 2018A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2018A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2018A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2018A Bonds called for redemption shall become due and payable on the redemption date, *provided, however*, that with respect to any general optional redemption as described above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2018A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2018A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional or, if the conditions of a conditional notice of redemption shall have been satisfied, then

upon presentation and surrender of Series 2018A Bonds so called for redemption at the place or places of payment, such Series 2018A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2018A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise), to notify the Beneficial Owner of the Series 2018A Bond so affected shall not affect the validity of the redemption of such Series 2018A Bond.

### **Registration and Payment — Book-Entry System**

Beneficial ownership interests in the Series 2018A Bonds will be available in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Series 2018A Bonds will not receive certificates representing their interests in the Series 2018A Bonds purchased.

DTC will act as securities depository for the Series 2018A Bonds. The Series 2018A 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 or more fully-registered Bond certificates will be issued and deposited with DTC for each principal amount of each series of Series 2018A Bonds maturing on a specified date and bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2018A Bonds.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A Bonds on DTC's records. The

ownership interest of each actual purchaser of each Series 2018A 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 purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, 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 2018A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in Series 2018A Bonds, except in the event that use of the book-entry system for the Series 2018A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A Bonds are credited, which may or may not be the Beneficial Owners. The Direct or 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. Beneficial Owners of Series 2018A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2018A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018A Bonds. For example, Beneficial Owners of Series 2018A Bonds may wish to ascertain that the nominee holding the Series 2018A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2018A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2018A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 Series 2018A Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption, distributions, and interest payments on the Series 2018A 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 Issuer or the Trustee, on 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 Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative



of DTC) is the responsibility of 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.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate 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.

The Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2018A Bonds registered in its name for the purpose of payment of the principal of, or interest on such Series 2018A Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Series 2018A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Trustee will not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2018A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Issuer (kept by the Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or interest on the Series 2018A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges provided in the Indenture; or other action taken by DTC as a registered owner. The Trustee will forward interest and principal payments to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE SERIES 2018A BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE SERIES 2018A BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE" HEREIN) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

For every transfer and exchange of beneficial ownership of the Series 2018A Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Series 2018A Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018A 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 the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series 2018A 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. NONE OF THE ISSUER, THE UNDERWRITERS, OR 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 2018A BONDS.

NEITHER THE ISSUER, THE SCSD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2018A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF THE SERIES 2018A BONDS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2018A BONDS.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS**

### **General**

The City and the SCSD will grant a license interest to the Series 2008 Facilities to the Issuer pursuant to the Fourth Amendatory License Agreement, to permit the Issuer to enter upon the Series 2008 Facilities for the purpose of completing the Series 2018A Project, and, pursuant to one or more bills of sale, will convey title to the equipment comprising the Series 2008 Facilities to the Issuer. The Issuer will sell its interest in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement and will appoint the JSCB as agent of the Issuer with respect to the Series 2018A Project. Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to State Aid to Education and in and to the Installment Sale Agreement, including all rights to receive Installment Purchase Payments thereunder with respect to the Series 2018A Bonds (other than in respect of the Issuer's Reserved Rights). Under the State Aid Depository Agreement, the City, the SCSD and the Depository have agreed to direct the State Comptroller to pay all State Aid to Education directly to the State Aid Depository Fund established and held under the State Aid Depository Agreement, all for the benefit on a Ratable Basis of the Series 2018A Bonds and each other series of Project Bonds outstanding, including the Series 2010 Bonds, the Series 2011 Bonds, and the Series 2017 Bonds. In the event the SCSD or the City fails to make a payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the State Comptroller of a certificate from or on behalf of the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid from the SCSD and the City payable thereto to the extent of the amount so stated in each such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld.

### **The License Agreement**

Pursuant to a Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, between the City and the SCSD, as licensors, and the Issuer, as licensee, the City and the SCSD will license the Series 2008 Facilities to the Issuer. The License Agreement will be entered into concurrently with the issuance of the Series 2018A Bonds and will have a term ending upon the later of

the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project.

### **The Installment Sale Agreement**

The Issuer will sell its interest in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. The Installment Sale Agreement provides for the appointment of the JSCB as the agent of the Issuer to complete the Series 2018A Project, provides the SCSD with the right to use, occupy and operate the Series 2008 Facilities, obligates the SCSD to maintain and manage the Series 2008 Facilities, and obligates the SCSD and the City to pay all costs related to operation of the Series 2008 Facilities. Installment Purchase Payments due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds. Installment Purchase Payments (as defined in the Installment Sale Agreement) due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture, as well as of the Series 2010 Indenture and the Series 2017 Indenture.

Except for funds, investments and other amounts held under the Indenture, the Issuer has pledged no other assets to the payment of the Series 2018A Bonds, and except for the intercept of any state and/or school aid payable to the City or the SCSD by the State Comptroller as herein described, it is anticipated that the Issuer's sole source of payment for the Series 2018A Bonds will be derived from Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement. The obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City, and budgeted by the SCSD and appropriated by the City and SCSD to the payment of Installment Purchase Payments under the Installment Sale Agreement. In the event State Aid to Education is not appropriated to the SCSD or the City, neither the SCSD nor the City will be obligated to pay any amounts due under the Installment Sale Agreement; *provided, however*, the failure of the SCSD or the City for any reason (including a failure by the SCSD to budget Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for such Installment Purchase Payments, a failure by the City or the SCSD to appropriate such payments, or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under any Installment Sale Agreement is nevertheless deemed a failure to make a payment thereunder for purposes of such Installment Sale Agreement, the Syracuse Schools Act, and the state and/or school aid intercept implementing provisions of the Indenture. In the event State Aid to Education is appropriated by the State to the SCSD or the City and the SCSD and the City do not appropriate such State Aid to Education to make Installment Purchase Payments under the Installment Sale Agreement, the Trustee (as well as the

Series Trustee) on behalf of the Issuer shall direct the State Comptroller to intercept state and/or school aid payable to the City or the SCSD for the payment of such Installment Purchase Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS—State Aid Intercept.” Subject to the foregoing limitation, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional, and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee, any purchaser of the Series 2018A Bonds, or any other person, and whether or not any or all of the Series 2008 Facilities are used or occupied by the City, the JSCB or the SCSD or are available for use or occupancy by the City, the JSCB or the SCSD.

In order to protect the priority of the rights of the Trustee to state and/or school aid under the Syracuse Schools Act, the SCSD and the City have covenanted and agreed in the Installment Sale Agreement that they will not enter into any agreement, indenture or other instrument, including any Series Facilities Agreement in connection with a Series of Project Bonds under a Series Indenture, which will have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act than the pledge effected pursuant to the Indenture. The foregoing covenant shall not be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Indenture or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture or that any payment dates under a Series Facilities Agreement be the same as provided for in the Installment Sale Agreement.

In order to provide for the obligation to make payments under the Installment Sale Agreement, the SCSD has agreed that: (i) the proposed expense budget for each ensuing fiscal year of the SCSD, commencing July 1, 2018, shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments (as defined in the Installment Sale Agreement) due under the Installment Sale Agreement to come due in such next fiscal year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City thereof. The City agrees that it shall approve a budget for the SCSD containing such items of expenditure and appropriate sufficient funds at each ending fiscal year commencing with the fiscal year ending June 30, 2018 to make the Installment Purchase Payments and Additional Payments to come due in such next fiscal year, *provided, however*, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid to Education, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved and appropriated by the City. See “BONDHOLDERS’ RISKS — Appropriation of Installment Purchase Payments by the City and the SCSD” and “Appropriation of and Possible Changes to State Aid.”

Upon the occurrence of an “Event of Nonappropriation” (i.e., the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement, as a result of: (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve and appropriate the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional

Payments after appropriation by the City therefor) or an “event of default” under the Installment Sale Agreement, there is no acceleration of the obligation of the SCSD and the City to pay all future Installment Purchase Payments under the Installment Sale Agreement.

### **State Aid Intercept**

Statutory provisions currently exist or may hereafter be enacted which permit State and/or school aid otherwise payable to the SCSD or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state aid diversion and intercept claims. See “BONDHOLDERS’ RISKS—Competing Claims to State Aid.”

In the event the SCSD or the City fail to make an Installment Purchase Payment under the Installment Sale Agreement as a result of an Event of Nonappropriation or otherwise pursuant to the Indenture, the Issuer has appointed the Trustee as its agent and the Issuer (acting through the Trustee) shall, in accordance with the Syracuse Schools Act and the Indenture, certify such nonpayment to the State Comptroller. Such certification shall specify the amount by which such Installment Purchase Payment shall have been deficient. The Syracuse Schools Act and the Indenture provide that the State Comptroller shall, upon receipt of such certification, withhold from the SCSD and the City any state and/or school aid otherwise payable to the SCSD or the City to the extent of the amount so stated in such certification as not being made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld based upon the Trustee’s certification. Such amounts will be applied by the Trustee to the payment of Installment Purchase Payments under the Installment Sale Agreement in the priority set forth below under “The Indenture” herein. It is further provided in the Syracuse Schools Act that (x) any amount of state and/or school aid so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

### **The Indenture**

Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to the State Aid to Education and the Installment Sale Agreement (excluding the Issuer’s Reserved Rights), including all rights to receive Installment Purchase Payments to pay the principal of and interest on the Series 2018A Bonds as the same become due, all to be made by the SCSD or the City pursuant to the Installment Sale Agreement and the State Aid Depository Agreement, and all deemed executory only to the extent of State Aid to Education, as provided above under the subheading “The Installment Sale Agreement.”

A portion of the Series 2018A Bond proceeds shall be deposited in the Series 2018A Project Account (the “*Series 2018A Project Account*”) of the Project Fund held under the Indenture. The amounts in the Series 2018A Project Account in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Series 2018A Bondholders until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in the Series 2018A Project Account of the Project Fund to the payment, or reimbursement, to the extent the same have been paid by or on behalf of the SCSD, of Project Costs for the Series 2018A Project. Pursuant to the Indenture, the Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project

Costs for the Series 2018A Project and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an authorized representative of the JSCB. In the event the City shall be required to or shall elect to cause the Series 2018A Bonds to be redeemed in whole, the balance in the Series 2018A Project Account in the Project Fund shall be deposited in the Bond Fund for application to the redemption of Series 2018A Bonds.

Notwithstanding the occurrence of an Event of Default under the Indenture, in no event shall the Series 2018A Bonds be accelerated or declared due and payable in advance of their final stated maturity.

All state and/or school aid received by the Trustee pursuant to the state and/or school aid intercept shall be ratably applied in accordance with the Indenture in the following order of priority:

*first*, to deposit in the Applicable Interest Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*second*, to deposit in the Applicable Principal Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*third*, to deposit in the Applicable Redemption Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*fourth*, to satisfy any indemnification obligations of the SCSD under the Installment Sale Agreement,

*fifth*, to satisfy any liability insurance obligations of the JSCB or the SCSD under the Installment Sale Agreement, and

*sixth*, to satisfy any other obligations of the JSCB, the SCSD or the City under the Installment Sale Agreement.

In addition to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, and the Series 2018A Bonds, it is also anticipated that future Series of Project Bonds will be ratably secured by the pledge of State Aid to Education and will be separately secured and issued pursuant to one or more Series Indentures. In order to protect the pledge of State Aid to Education by the Issuer to the Trustee pursuant to the Indenture, except with respect to the issuance of Project Bonds under a Series Indenture, the Issuer has covenanted in a Series Indenture not to create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture and the Installment Sale Agreement. The Issuer further covenants and agrees pursuant to the Indenture that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act; *provided, however*, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge State Aid to Education on a parity with the pledge effected under the Indenture or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

## **Debt Service Reserve Fund Not Applicable to the Series 2018A Bonds**

A debt service reserve fund is not being established for the Series 2018A Bonds.

## **Additional Bonds**

So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance under the Indenture for the purpose of: (i) financing Series 2008 Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing extensions, additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a “project” within the meaning of the Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of either a Supplemental Indenture or a new Indenture in connection therewith, the City, the SCSD and the Issuer shall enter into a license agreement or lease agreement or an amendment to the License Agreement, as applicable, and the Issuer, the JSCB, the SCSD and the City shall enter into a new Installment Sale Agreement or an amendment to the Installment Sale Agreement to subject the Series 2008 Facilities to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the bonds outstanding under the Indenture including such series of Additional Bonds. In addition, the SCSD, the City, the JSCB and the Issuer shall enter into an amendment to the Tax Compliance Documents.

## **State Aid Depository Agreement**

To facilitate the collection of State Aid and payment of Installment Purchase Payments under the Installment Sale Agreement, the Depository, the City and the SCSD have entered into the State Aid Depository Agreement. In accordance with the State Aid Depository Agreement, the City and the SCSD have instructed the State Comptroller to pay all State Aid to Education otherwise payable to SCSD or the City directly to the State Aid Depository Fund held by the Depository under the State Aid Depository Agreement. The State Aid Depository Agreement provides for the payment of State Aid to the Trustee and each other Series Trustee, including the Series 2018A Trustee, on a Ratable Basis pursuant to which Project Bonds are outstanding under a Series Indenture.

On or before July 15 of each Fiscal Year, the City and the SCSD are required to prepare and deliver to the Depository, the Series 2018A Trustee and the Trustee a certificate (the “*State Aid Payment Certificate*”) setting forth: (i) a statement that the SCSD and the City have appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations (as defined in “APPENDIX B — Summary of Definitions”) of the SCSD and the City for such Fiscal Year; (ii) an estimate of the total amount of State Aid to Education expected to be received during the next Collection Period and the Collection Percentage applicable to each month of such Collection Period (as such terms are defined in Appendix B hereof); and (iii) a statement, developed with the assistance of the Financial Advisor to the SCSD or a nationally recognized municipal securities underwriting firm, setting forth the long-term debt rating of each provider of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch Ratings, Moody’s and S&P. However, in the event that the SCSD and the City have not appropriated such amount of State Aid to Education in their respective adopted budgets for such Fiscal Year, the State Aid Payment Certificate for such Fiscal Year shall set forth a statement to such effect and shall not include any information regarding the collection of State Aid to Education during the Collection

Period. Thereafter and not later than the end of the third business day immediately preceding March 31 of such Fiscal Year, if circumstances warrant, the City and the SCSD shall from time to time prepare and deliver to the Depository a revised State Aid Payment Certificate setting forth, as appropriate, (i) a statement that the SCSD and the City have, subsequent to adoption of the SCSD's budget for such Fiscal Year, appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations of the SCSD and the City for such Fiscal Year; or (ii) a revised total amount of State Aid to Education expected to be received during the next Collection Period for such Fiscal Year and, in either case, if applicable, Collection Percentages or revised Collection Percentages applicable to the remainder of such Collection Period.

On or before November 10 of each Fiscal Year, the Trustee shall, in accordance with the provisions of the Indenture, prepare and deliver to the City, the SCSD and the Depository a certificate (the "**Base Facilities Agreement Payment Certificate**") setting forth the Net Base Facilities Agreement Payment (computed as of the immediately preceding last business day of October of such Fiscal Year) portion of the Facilities Payment Obligations due on the following April 1.

During each Collection Period, if the Depository has received a State Aid Payment Certificate with respect to such Collection Period that sets forth the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository shall, immediately upon receipt of any payment of State Aid to Education, withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid in the following order of priority:

*first*, to the Applicable Trustee for deposit in the Bond Fund established pursuant to the Applicable Indenture until the total amount of such withdrawals during each month of such Collection Period shall equal the sum of (A) the product of the Collection Percentage for such month multiplied by the Net Base Facilities Payment due the immediately following April 1 as set forth in the Base Facilities Payment Certificate most recently received by the Depository, plus (B) during the months of January, February and March, the excess of the amount that should have been deposited in the Bond Fund in the immediately preceding month of the Collection Period pursuant to the provisions of this paragraph, over the amount in fact so deposited; and

*second*, thereafter during each month of such Collection Period, to an Applicable Trustee, if any, for deposit in the Debt Service Reserve Fund established pursuant to the related Series Indenture until the total amount of such withdrawals is equal to the Reserve Payment due, if any, as set forth in the Reserve Payment Certificate most recently received by the Depository; and

*third*, thereafter during each month of such Collection Period, to the General Fund of the SCSD.

In the event that any amount on deposit in the State Aid Depository Fund in any month of the Collection Period, at any time, shall be less than the amount required to be paid to a Series Trustee under the first clause or second clause above, the Depository shall make payment to the Trustee, the Series 2008A Trustee and any other Series Trustee on a Ratable Basis, in the priority indicated above. For purposes of the preceding sentence, "Ratable Basis" shall be first computed based on amounts payable to each Series Trustee under the first clause above if there is not enough in the State Aid Depository Fund to pay to each Series Trustee what is payable under the first clause above, and, if the amounts payable under the first clause have been paid in full, then computed based on the amount payable to each Series Trustee under the second clause.



Thereafter, from April 1 until the commencement of the next Collection Period, immediately upon receipt of any payment of State Aid to Education, the Depository shall withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

If the Depository has not received with respect to a Collection Period for any reason a State Aid Payment Certificate that includes the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository, both during and after such Collection Period until the next Collection Period, shall withdraw any State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

Notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustees, if the Depository receives written instructions from the Commissioner of Finance, together with an accompanying monthly payment schedule from the Commissioner of Finance indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the payment in accordance with such payment schedule for the RAN Repayment Requirement, then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the portion of such RAN Repayment Requirement required, in accordance with such payment schedule, to be withdrawn and paid to such special bank account for such month or any prior month to the extent not paid.

Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund established under the Indenture, during the Collection Period, amounts held in the State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2018A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund.

Nothing shall prevent the SCSD, the City, the Depository, the Series Trustee, or the Trustee from adopting amendments or modifying the procedures for the collection, deposit and disbursement of State Aid to Education as set forth in the State Aid Depository Agreement; *provided, however*, that: (i) prior to making any such change, the SCSD shall notify any rating agency then rating the Series 2018A Bonds or any other Series of Project Bonds of such change and that, prior to any such change becoming effective, there shall be delivered to the Depository a rating confirmation of such rating agency that the then current unenhanced rating of the Series 2018A Bonds or any other Series of Project Bonds Outstanding will not be withdrawn or reduced as a result of such change; and (ii) any change or alteration of the procedure for collection and deposit of State Aid to Education would not result in insufficient State Aid to Education being available to timely pay Facilities Payment Obligations under the Installment Sale Agreement or under any other Series Facilities Agreement.

#### **Timing of Payments under State Aid Trust Agreement**

In order to assure the timely payment of debt service on the Series 2018A Bonds, the City and the SCSD have agreed during each year to certify certain information to the Depository, and the SCSD and the City have directed the Depository to pay certain amounts to the Trustee in advance of the payment of debt service on the Series 2018A Bonds. On or before July 15 of each Fiscal Year, the City and the SCSD are required to certify to the Depository under the State Aid Depository Agreement; (i) that the SCSD and

the City have appropriated funds necessary to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on the next succeeding April 1 (which covers the debt service on the Series 2018A Bonds on the following May 1 and November 1); and (ii) the State Aid to Education expected to be received by the SCSD and the City during the next succeeding December 1 to March 31. In the event the City shall not have appropriated such amount, the foregoing certificate shall state that the appropriation has not been made. On or before November 10 of each year, the Trustee shall prepare and deliver to the City, the SCSD and the Depository a certificate setting forth the Net Base Facilities Agreement Payment due on the following April 1. On a monthly basis beginning on December 1 through the next succeeding March 31 the Depository will, in accordance with the State Aid Depository Agreement, transfer a portion of State Aid to Education to the Trustee sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on the next succeeding April 1. In the event payments made by the Depository to the Trustee during the preceding December 1 to March 31 are not sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on April 1, the Trustee will immediately certify such deficiency to the State Comptroller. The State Comptroller is then required to pay such amounts to the Trustee in accordance with the state and/or school aid intercept provisions of the Indenture and the Syracuse Schools Act in order to provide payment of debt service on the Series 2018A Bonds on the next succeeding May 1 and November 1. Installment Purchase Payments due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payments under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment and Base Installment Purchase Payments shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment Due and Base Installment Purchase Payment Date on such November 15 is not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the 2018A Indenture.

## **DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD**

### **Budget Procedures and Plans**

The Director of the Office of Management and Budget (the "Budget Director") has the primary responsibility for preparing the City's annual operating budget, supervising the execution of the operating budget and reporting budgetary variances to the Mayor. The SCSD proposes a separate budget that is approved by the Board of Education after a public hearing. Thereafter, the SCSD's budget is transmitted to the City's Budget Director for inclusion in the Citywide budget.

CERTAIN FINANCIAL INFORMATION FOR THE SCSD FOR THE FISCAL YEAR ENDED JUNE 30, 2017 IS PRESENTED IN APPENDIX A HERETO. A SUMMARY OF THE SCSD'S FINANCIAL RESULTS FOR THE YEAR ENDING JUNE 30, 2017 AND DISCUSSIONS OF THE 2017-18 BUDGET ARE PRESENTED HEREIN BELOW.

## **Accounting and Financial Reporting**

In accordance with the State Education Law, the accounts of the SCSD are maintained independently of the City. The SCSD is responsible for managing, controlling and accounting for its own budget appropriations approved by the City's Common Council. The SCSD prepares and issues separately audited financial statements which statements are also included in the financial statements of the City. The City levies and collects real property taxes for general City and the SCSD purposes and remits to the SCSD its share of collections. The SCSD receives 100% of its annual tax levy by October 31 of the fiscal year following the year of levy.

The City accounts for the SCSD as a blended component unit in its financial statements. The SCSD is accounted for in this manner because the SCSD is not a separate legal entity and does not have the power to levy taxes or issue bonds. The SCSD's budget is subject to approval by the City Common Council. The City is financially accountable for the SCSD and funds any operating deficits of the SCSD. The SCSD is included in the basic financial statements as a special revenue fund in the fund financial statements of the City. Financial Statements of SCSD are presented in a discrete (*i.e.*, separate) column in the City's Annual Financial Statements, when issued, in accordance with the Governmental Accounting Standards Board, Statement #14. In the government-wide statements of the City, the SCSD is included in the governmental activities.

### **Summary of Significant Accounting Policies**

See APPENDIX A – “Certain Financial Information and Audited Financial Statements of the Board of Education of the City School District of the City of Syracuse - Notes to the Financial Statements, for the year ended June 30, 2016, Note 1,” hereto.

### **SCSD General Fund Results of Operations – Year Ended June 30, 2017**

The audited financial statements of the SCSD show that the general fund had an operating surplus of \$7,366,794 for the year ended June 30, 2017. Total fund balance of the general fund at June 30, 2017 was \$43,832,163 including \$28,659,121 in unassigned funds, \$14,122,478 in assigned funds, and \$1,050,564 in non-spendable funds. The SCSD's 2017-18 adopted budget includes the use of fund balance in the amount of \$8,900,000.

Total revenue for the general fund for fiscal year 2016-17 was \$389,493,571, excluding other financing sources. Real property taxes and State Aid to Education (excluding \$6,207,849 in STAR revenue) for the year were \$58,556,586 and \$321,554,562 respectively. Other financing sources for the year were \$6,765,831. Overall, total revenue and other financing sources showed a positive budgetary variance of \$200,404 for 2016-17. Positive budgetary variances were reported in the following revenue categories: general property taxes (+\$52,509), charges for services (+\$34,829), use of money and property (+\$1,761), sale of property and compensation for loss (+\$205,677), and transfers in (+\$2,015,831). Negative budgetary variances were reported in the following revenue categories: nonproperty taxes (-\$265,060), miscellaneous (-\$421,783), State and local sources (-\$827,005) and Federal sources (-\$597,355).

General fund expenditures including encumbrances were \$378,164,911 for the year ended June 30, 2017. In addition, \$12,750,175 in transfers out were reported as other financing uses. Actual expenditures, including encumbrances and other financing uses, were \$20,440,985 less than the budget of the SCSD general fund for fiscal year 2016-17.

The sum of the budgetary variances for revenue and other financing sources (+\$200,404), expenditures and other financing sources and uses (+\$20,440,985), the effects of encumbrance adjustments (+\$2,022,478) and the appropriation of the fund balance (-\$15,297,073) results in the reported operating surplus of \$7,366,794. (See page 54 of the audited financial statements for the fiscal year ended June 30, 2017 attached hereto as Appendix A).

**Anticipated SCSD General Fund Results of Operations – Year Ended June 30, 2018**

SCSD officials expect that the SCSD General Fund will conclude the year within the spending limit of \$417.6 million set by the Common Council, and that the fund balance appropriation of \$8.9 million will be used. Unassigned fund balance at June 30, 2018 is anticipated to be \$19,759,121.

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## ANNUAL INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to each series of Project Bonds after giving effect to the issuance of the Series 2018A Bonds.

| Payment Date<br>due April <sup>(1)</sup> | Series 2010<br>Installment<br>Purchase<br>Payments | Series 2011<br>Installment<br>Purchase<br>Payments <sup>(2)(3)</sup> | Series 2017<br>Installment<br>Purchase<br>Payments | Series 2018A<br>Installment<br>Purchase<br>Payments <sup>(4)</sup> | Total<br>Installment<br>Purchase<br>Payments |
|--|--|--|--|--|--|
| 2018                                     | \$2,942,806.26                                     | \$4,572,750.00   | \$1,353,050.00                                     | \$   | \$   |
| 2019                                     | 2,948,306.26                                       | 4,568,500.00   | 3,293,450.00                                       |  |  |
| 2020                                     | 2,933,756.26                                       | 4,567,000.00   | 4,037,450.00                                       |  |  |
| 2021                                     | 2,938,831.26                                       | 4,572,625.00   | 4,012,850.00                                       |  |  |
| 2022                                     | 2,948,240.63                                       | 4,570,000.00   | 4,023,275.00                                       |  |  |
| 2023                                     | 2,943,425.00                                       | 4,547,288.50   | 4,016,775.00                                       |  |  |
| 2024                                     | 2,928,825.00                                       | 4,422,362.00   | 4,012,525.00                                       |  |  |
| 2025                                     | 2,926,050.00                                       | 4,231,082.00   | 4,005,150.00                                       |  |  |
| 2026                                     | 2,923,637.50                                       | 4,039,498.88   | 3,073,025.00                                       |  |  |
| 2027                                     | 2,921,250.00                                       | 3,876,827.88   | 3,057,150.00                                       |  |  |
| 2028                                     | -  | 1,918,775.00   | 1,790,750.00                                       |  |  |
| 2029                                     | -  | -  | 541,050.00   |  |  |
| 2030                                     | -  | -  | 532,875.00   |  |  |
| 2031                                     | -  | -  | -  |  |  |
| 2032                                     | -  | -  | -  |  |  |
| 2033                                     | -  | -  | -  |  |  |
| 2034                                     | -  | -  | -  |  |  |
| TOTAL                                    | \$29,355,128.17                                    | \$45,886,709.26  | \$37,749,493.75                                    | \$   | \$   |

<sup>(1)</sup> An amount equal to the total principal and interest due on Project Bonds each May 1 and November 1 is due in full on each preceding April 1 pursuant to the respective Installment Sale Agreement.

<sup>(2)</sup> Inclusive of Mandatory Sinking Fund Payments for the Series 2011B Bonds.

<sup>(3)</sup> Exclusive of the Federal Interest Subsidy.

<sup>(4)</sup> All of the interest due in fiscal year 2018-19 with respect to the Series 2018A Bonds Installment Purchase Payments totaling \$ \_\_\_\_\_ is not shown because it is capitalized.

## BONDHOLDERS' RISKS

The discussion herein of risks to holders of the Series 2018A Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended only to summarize certain matters which could affect payment on the Series 2018A Bonds. However, holders of the Series 2018A Bonds should be aware that these matters and other potential risks and factors could materially adversely affect the receipt by the holders of payments on the Series 2018A Bonds. Other sections of this Official Statement should be referred to for a more detailed description of risks described in this Section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal corporate trust office of the Trustee.

### Tax Cuts and Jobs Act

On December 22, 2017, the President signed into law H.R. 1 entitled "Tax Cuts and Jobs Act" (the "Tax Act") amending the Code. The Tax Act repeals the authority for the Issuer to issue tax-exempt

bonds to advance refund bonds such as the Series 2018A Bonds. Tax-exempt advance refunding of bonds by obligors such as SCSD allowed obligors to manage debt service costs. Without tax-exempt advance refunding of the Series 2018A Bonds, there are limited options available to SCSD prior to [first call date] to refund the Series 2018A Bonds should interest rates or the financial condition of SCSD warrant refunding. The Tax Act contains significant changes including, among other things, lowering income tax rates applicable to many individuals and corporations. These changes may affect the market for the Series 2018A Bonds. See “Tax Matters.”

### **The State’s Financial Condition, Reduced State Aid, Delayed Payment**

The amount of State Aid paid to the SCSD is dependent in large measure upon the financial condition of the State. The State regularly publishes its Annual Information Statement relating to its financial condition, as well as quarterly updates and supplements thereto.

The State's 2016-17 and 2017-18 Enacted Budgets each provide for an increase of \$1.3 billion and \$1.1 billion in school aid for the 2016-17 and 2017-18 school years, respectively.

The SCSD depends on substantial financial assistance from the State. SCSD General Fund operations for its 2016-17 fiscal year were funded 82.4% from State Aid. State aid for the SCSD’s General Fund for fiscal year 2017-18 was budgeted at \$334.6 million, which represents an increase of \$13.1 million compared to the budgeted adopted for the previous fiscal year.

The total amount of State Aid for all funds is comprised of Foundation Aid and a number of other State Aid categories. Foundation Aid is the largest component of State Aid for the SCSD. The SCSD received Foundation Aid in the amount of \$221.5 million in 2013-14, \$227.9 million in 2014-15, \$238.4 \$238.2 million in 2015-16, \$259.2 for the 2016-17 fiscal year and expects \$271.7 million for the 2017-18 fiscal year, respectively. Future reductions in Foundation Aid or other aid categories of State Aid to the SCSD could adversely affect the financial condition of the SCSD.

Principal of and interest on the Project Bonds, including the Series 2018A Bonds, will be paid from State Aid payable through (i) Installment Purchase Payments made by the SCSD under the Series Facilities Agreements, including the Installment Sale Agreement or (ii) from the intercept of State Aid by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid being made each year by the State to the SCSD. No assurance can be given that present State Aid levels will be maintained in the future. The Syracuse Schools Act provides that (x) any amount of State Aid paid by the State Comptroller pursuant to the State Aid intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State Aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State Aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State Aid at any particular level or amount. Financial difficulties of the State could result in reduced payments of State Aid to municipalities and school districts in the State (including the SCSD) in future fiscal years. Given the SCSD’s dependence on State Aid (the only source of funds to make the installment purchase payments payable by the SCSD pursuant to the Series Facilities Agreements, including the Installment Sale Agreement), substantial reductions in the payment of State Aid could adversely impact the SCSD’s ability to pay, or timely pay, Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement, and accordingly, the payment of debt service on the Project Bonds, including the Series 2018A Bonds.

State financial difficulties may result in protracted and delayed State budget negotiations which may result in delays in the adoption of the State budget. Delays in adoption of the State budget could

result in delayed payment of State Aid to school districts in the State, including the SCSD. During the State's 2011-12 to 2016-17 fiscal years, State Aid to school districts was paid in a timely manner; however, during the State's 2009-10 fiscal year, State budgeting restrictions resulted in delayed payments of State Aid to school districts in the State. In the past, adoption of a State budget has been delayed as long as four and a half months. There can be no assurance that (y) the State Legislature will continue to adopt State budgets in a timely fashion, or that (z) in the absence of such budget adoption, that the State Legislature will provide on a continuing resolution or other basis State Aid to the SCSD on an interim basis.

Delay in the receipt of State Aid by the SCSD could have a material adverse financial impact on the SCSD and result in a delay in the application of such State Aid to the payment of Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement.

### **Appropriation of and Possible Changes to State Aid**

Statutory provisions currently exist or may hereafter be enacted which permit state and/or school aid otherwise payable to the SCSD and/or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state and/or school aid diversion and intercept claims.

Principal of and interest on the Series 2018A Bonds will be paid from State Aid to Education payable through (i) Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement or (ii) from the intercept of state and/or school aid payable to the SCSD or the City by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid to Education being made each year by the State to the SCSD and the City. No assurance can be given that present state and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce state and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources, to the extent available, or a curtailment of expenditures. Although the State has over the past five years provided State Aid to Education at levels averaging 80.4% per year of the SCSD's annual budget, neither this nor any other percentage of annual State Aid to Education is guaranteed. In the event that state and/or school aid is reduced by the State in the future, such reduction would result in a diminished flow of revenues for the payment of Installment Purchase Payments by the SCSD and the City under the Installment Sale Agreement, as well as diminished state and/or school aid available to be intercepted from the State Comptroller under the Syracuse Schools Act. Further, the Syracuse Schools Act provides that (x) any amount of state and/or school aid paid by the State Comptroller pursuant to the intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

### **Default by the SCSD and the City**

No representations or assurances can be given that the SCSD or the City will perform their obligations under the Installment Sale Agreement. The obligation of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement is executory and dependent upon the receipt of State Aid to Education and the appropriation of such State Aid to Education by the SCSD and the City for the payment of Installment Purchase Payments under the Installment Sale Agreement. In

the event State Aid to Education has been appropriated by the State to the SCSD and/or the City and either the SCSD has failed to provide for Installment Purchase Payments necessary for a fiscal year its budget, or the City has failed to appropriate such State Aid to Education, for the payment of the Installment Sale Agreement, there is no right to accelerate payments due under the Series 2018A Bonds and the sole source of payment for the Series 2018A Bonds will be the intercept of state and/or school aid by the State Comptroller. The failure of the SCSD to budget for, or the City to appropriate amounts necessary, to make Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2018A Bonds. In such event, the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

### **Appropriation of Installment Purchase Payments by the City and the SCSD**

The availability of Installment Purchase Payments under the Installment Sale Agreement are subject to and dependent upon lawful appropriations of State Aid to Education being made each year by the State Legislature and the City for such purposes. The Installment Sale Agreement is not a general obligation of the SCSD or the City. The obligations of the SCSD and the City under the Installment Sale Agreement to pay Installment Purchase Payments in any fiscal year of the SCSD or the City constitute a current expense of the SCSD and the City for such fiscal year and shall not constitute an indebtedness of the SCSD or the City within the meaning of any constitutional or statutory provision or other laws of the State. Neither the Installment Sale Agreement nor any representation by any public employee or officer creates any legal or moral obligation of the City to appropriate or the SCSD or the City make moneys available for the purposes of the Installment Sale Agreement. The failure of the SCSD and the City to pay Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2018A Bonds. In such event, there is no right to accelerate payments due under the Series 2018A Bonds and the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

### **Competing Claims to State Aid**

#### *Direct Claims*

Revenue Anticipation Notes. Revenue anticipation notes are issued by the City on behalf of the SCSD in anticipation of the receipt of State Aid to Education. Such notes are payable in the first instance from State Aid to Education in anticipation of which such revenue anticipation notes were issued. State law requires that whenever the amount of the revenue anticipation notes issued by the City on behalf of the SCSD equals the amount of State Aid to Education remaining uncollected, the City is required to set aside in an account all of such State Aid to Education thereafter received by the SCSD to retire such revenue anticipation notes. Currently, the City has \$95,705,000 revenue anticipation notes outstanding of which \$51,805,000 were issued in anticipation of the receipt of State Aid to Education. Such notes will mature on June 29, 2018. The State Aid Depository Agreement provides that, notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustee, upon receipt of written instructions to the Depository from the City indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education revenues paid to the SCSD or the City must be set aside in a special bank account designated in such instructions to be used only for the payment of the revenue anticipation notes Repayment Requirement. Upon receiving such instructions, the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to



the portion of such revenue anticipation notes Repayment Requirement required to be withdrawn and paid to such special bank account for such month or any prior month to the extent not paid. Notwithstanding the foregoing, in the event the SCSD or the City shall fail to pay an Installment Purchase Payment under the Installment Sale Agreement, the intercept provisions of the Syracuse Schools Act and the Indenture will operate to intercept state and/or school aid payable to the SCSD or the City prior to the payment of such aid to the SCSD and/or the City in accordance with the State Aid Depository Agreement. Accordingly, such state and/or school aid will be intercepted to pay Installment Purchase Payments under the Installment Sale Agreement prior to its application by the City to the payment of outstanding revenue anticipation notes of the City. In accordance with the requirements of the Local Finance Law, it is the City's current practice to set aside in a special account the last State Aid to Education money received during the fiscal year. Payments to the special bank account are generally made in May and the June of each year.

Expenses for Handicapped Children. The State Comptroller deducts from State Aid to Education due to the SCSD amounts required by statute to reimburse the State for certain expenditures made by the State for the education of certain blind, deaf and handicapped children in the City. Such expenditures were approximately \$0.4 million for the SCSD 2015-16 fiscal year and \$0.4 million is also budgeted for this purpose in the 2016-17 fiscal year.

Deductions for TRS Payments. TRS contributions are paid as a reduction in State Aid to Education payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January. For the 2016-17 fiscal year, TRS expenditures were approximately \$20.8 million. For 2017-18, SCSD officials have indicated that \$22.6 million was budgeted for this purpose.

Contingent Claims.

State Finance Law Section 99-b. In the event of a default in the payment of the principal of and/or interest on outstanding general obligation indebtedness of the SCSD, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State Aid to Education and assistance to the SCSD and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of such general obligation indebtedness for SCSD purposes. The SCSD is wholly dependent upon the City for taxation and debt issuance. As measured by the State Constitution and the Local Finance Law, as of January 16, 2018, the City has a total outstanding net indebtedness of \$172,962,833 (excluding \$58,759,996 in water debt, \$14,864,040 in budgetary appropriations, \$43,900,000 revenue anticipation notes issued against City revenues, \$51,805,000 revenue anticipation notes issued against SCSD revenues, and \$3,633,797 in debt reserves), which represents 41.28% of the City's debt limit. Excluding revenue anticipation notes, the SCSD's share of outstanding City net debt is \$37,713,622 (or 21.8%), as of January 16, 2018. In addition, the net indebtedness of the City at January 16, 2018 includes \$29,800,000 in outstanding bond anticipation notes which were issued by the City to commence work on Phase II of the JSCB renovation project As of January 16, 2018, \$37,713,622 outstanding bonds, \$29,800,000 bond anticipation notes and \$51,805,000 outstanding revenue anticipation notes issued for school purposes benefit from the Section 99-b statutory intercept mechanism for State Aid to Education.

*The Series 2018A Bonds are not general obligation indebtedness of the City and accordingly do not benefit from the Section 99-b intercept.*

Charter School Delinquencies. Pursuant to the Charter Schools Act, the SCSD is required to pay for the maintenance and operation of charter schools in the City. There are currently three charter schools operating in the City. Enrollments at these schools increased from 1,565 students in the 2016-17 school year to 1,801 (projected) in the 2017-18 school year. According to District officials, in 2017-18 charter school funding is \$12,930 per student for regular education, \$6,572 per student for 20% special education, and \$12,048 per student for 60% special education, for a projected total of approximately \$24.3 million. In the 2016-17 school year, the amount of charter school funding was \$12,430 per student for regular education, \$6,458 per student for 20% special education, and \$11,840 per student for 60% special education, for a total of \$19.7 million. Increases are due to increases in expected charter school enrollment. In the event the SCSD fails to make any required payment for the maintenance or operation of charter schools, the State Comptroller may deduct such delinquent amounts from State Aid to Education otherwise payable to the SCSD and pay such amount to the charter schools.

Failure to Comply with Regulations. Payment of State Aid to Education may be withheld due to the failure of the City or the SCSD to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes.

The 2017-18 Enacted State Budget included a provision linking the payment of additional State Aid to compliance with a modified teacher evaluation process which provides that school districts will not be eligible for aid unless they have negotiated the optional components of evaluations with their local unions and obtained State approval by September 1, 2017. The SCSD has completed negotiations with its local unions and is in compliance with the modified teacher evaluation process.

#### *Effect on State Aid*

Statutory application and intercept of State Aid to Education for any of the above purposes or any other purpose would have the result of diminishing the flow of State Aid to Education to the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement as well as possibly diminishing state and/or school aid subject to be intercepted by the State Comptroller under the Syracuse Schools Act. Furthermore, other State financing programs incorporate similar procedures for the application or withholding of State Aid to Education as security for the repayment of obligations, or the repayment of financial assistance provided to school districts in the State. Moreover, the State has the power to (i) create additional state and/or school aid intercept provisions, (ii) reduce or eliminate state and/or school aid paid to school districts and cities in the State and (iii) create state and/or school aid intercept provisions having a prior right to intercept state and/or school aid senior to the intercept of state and/or school aid provided by the Syracuse Schools Act. If the SCSD or the City is or becomes a participant in any such State financing program or otherwise pledges state and/or school aid, the extent to which State Aid to Education would be available (x) to pay Installment Purchase Payments under the Installment Sale Agreement or (y) to be intercepted by the State Comptroller and paid to the Trustee, could be adversely affected. No assurance is given that the SCSD or the City will not participate in any such State financing programs in the future.

In addition to the foregoing, it is important to note that State Aid may, after the payment of Base Installment Purchase Payments, be applied to the payment of Additional Payments under the Installment Sale Agreement for, among other things, casualty and indemnity obligations of the SCSD, in the event of a shortfall in the insurance coverage furnished by the SCSD to the Issuer. Accordingly, a significant casualty or indemnity event could substantially reduce State Aid coverage levels in relation to Base Installment Payment obligations of the SCSD and the City.

### **Additional Series of Project Bonds or Series of Additional Bonds**

The SCSD currently intends to finance the completion of the Program with the issuance of additional Series of Project Bonds or Series of Additional Bonds under either the Indenture and/or separate Series Indentures which will rank on a Ratable Basis with the claims of the Series 2018A Bonds to State Aid to Education under the State Aid Depository Agreement or from the State Comptroller as an intercept of state and/or school aid under the Syracuse Schools Act. See APPENDIX D — “Summary of Certain Provisions of the Installment Sale Agreement” and APPENDIX C — “Summary of Certain Provisions of the Indenture of Trust.”

The issuance of additional Series of Project Bonds or Series of Additional Bonds will dilute the amount of State Aid to Education available to make Installment Purchase Payments with respect to the Series 2018A Bonds and the amount of state and/or school aid subject to intercept by the State Comptroller and payable to the Trustee. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS.” No limitation exists upon the principal amount of Project Bonds that may be issued, nor upon their payment dates or rate of amortization. This could result in a reduction in the funds available to make payments of principal of and interest on the Series 2018A Bonds.

### **Insurance**

The City funds a self-insurance program from operating funds to protect itself against various forms of risks. Under the program, the City is self-insured for employee medical and dental benefits, unemployment benefits, workers' compensation and general liability claims. According to City officials, for the fiscal years ended June 30, 2016 and 2017, the City and SCSD paid \$157,392 and \$1,382,215 from operating funds to settle various judgments and claims, respectively. For the current fiscal year, as of January 18, 2018 the City and SCSD have paid \$4,401,307 to settle various judgments and claims.

The City purchases commercial insurance for various risks and liabilities. Property insurance is utilized to protect all City and SCSD Buildings for losses in excess of \$100,000.

For additional information concerning claims and insurance, see “Notes to Basic Financial Statements,” Note 9, in the City’s audited financial statements as of and for the year ended June 30, 2016, and “Notes to Basic Financial Statements,” Note 10, in the SCSD audited financial statements as of and for the year ended June 30, 2017.

### **Enforceability of Remedies**

The remedies available to the holders of the Series 2018A Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon judicial actions which are often subject to discretion and delay. Existing constitutional and statutory law and judicial decisions, including Title 11 of the United States Code, affect the payment rights of Bondholders, and the remedies specified by the federal bankruptcy laws, the Indenture and the various documents referred to herein may not be readily available or may be limited. The legal opinions to be delivered concurrently with the delivery of the Series 2018A Bonds will be qualified as to enforceability of the legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally. In addition, such opinions will state that the availability of remedies may be limited by judicial application of principles of equity which may delay or preclude the exercise of remedies, including mortgage foreclosure.

## **State Aid Depository Agreement**

Amounts held in the State Aid Depository Fund under the State Aid Depository Agreement are not pledged to the repayment of the Series 2018A Bonds. The State Aid Depository Fund is not a trust fund held under the Indenture and the Trustee does not and will not have a security interest in amounts held therein. In addition, the obligations of the City, the SCSD and the Depository relating to the collection, deposit and disbursement of State Aid contained in the State Aid Depository Agreement are not statutory obligations but contractual obligations of the Depository, the City, the SCSD and failure of such parties to comply with the provisions of the State Aid Depository Agreement would be actionable solely as a breach of contract matter. See also "Additional Series of Project Bonds or Series of Additional Bonds" above.

## **Statutory Interpretation**

The City, the JSCB and the SCSD are subject to the limitations imposed by State law including, but not limited to, the Education Law, the General Municipal Law and the Local Finance Law. Generally, such laws limit the power of the City to incur indebtedness, as well as the powers of the City and the SCSD to lease or purchase facilities and enter into installment purchase agreements similar to the Installment Sale Agreement. Notwithstanding such limitations, the Corporation Counsel of the City will provide an opinion to be delivered at the Series 2018A Bond closing to the effect that the Installment Sale Agreement is valid, binding and enforceable against the City, the JSCB and the SCSD in accordance with its terms subject to certain limitations (bankruptcy, discretion as to remedies, etc.). The Syracuse Schools Act has not been subjected to judicial review and the legal authority provided to the City, the JSCB and the SCSD by the Syracuse Schools Act could be subject to differing interpretation. Reference is hereby made to the form of opinion of Corporation Counsel of the City to be delivered upon issuance of the Series 2018A Bonds, a copy of which will be on file with the Trustee.

## **Limited Obligations of the Issuer**

THE SERIES 2018A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT (AND UPON ANY FAILURE TO BUDGET OR APPROPRIATE STATE AID TO EDUCATION), THE SYRACUSE SCHOOLS ACT AND THE INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AND/OR SCHOOL AID FROM THE SCSD AND/OR THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE

AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE OF NEW YORK. THE ONLY SOURCE OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018A BONDS IS INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD OR THE CITY AND APPROPRIATED BY THE CITY AND SCSD TO MAKE SUCH PAYMENTS, AND THE INTERCEPT BY THE STATE COMPTROLLER OF ANY STATE AND/OR SCHOOL AID PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PAYMENT DEFICIENCY.

#### **Absence of Public Market for the Series 2018A Bonds**

The SCSD has been advised by the Underwriters that the Underwriters presently intends to make a secondary market in the Series 2018A Bonds. The Underwriters, however, is not obligated to do so, and any secondary market-making activities with respect to the Series 2018A Bonds may be discontinued at any time without notice. No assurance is given that an active public or other market will develop for the Series 2018A Bonds or as to liquidity of or the trading market for the Series 2018A Bonds. If a trading market does not develop or is not maintained, holders of the Series 2018A Bonds may experience difficulty in reselling the Series 2018A Bonds or may be unable to sell them at all. If a market for the Series 2018A Bonds develops, any such market may be discontinued at any time. If a public trading market develops for the Series 2018A Bonds, future trading prices of the Series 2018A Bonds will depend on many factors, including, among other things, prevailing interest rates, State Aid to Education paid to the SCSD and the market for similar securities. Depending on prevailing interest rates, the market for similar securities and other factors, including the financial condition of the SCSD, the Series 2018A Bonds may trade at a discount from their principal amount.

#### **Executive Order on Sanctuary Cities**

On January 25, 2017, President Trump signed an executive order directing the Attorney General and the Secretary of Homeland Security to ensure that state and local jurisdictions that willfully refuse to comply with federal law concerning the provision of information on individuals' immigration status will not be eligible to receive federal grants except as deemed necessary for law enforcement purposes. It is the City's position that controlling legal authority limits funding reductions to grants directly related to federal immigration law enforcement. On April 25, 2017, the United States District Court for the Northern District of California issued a preliminary injunction enjoining enforcement nationwide of one section of the executive order which sought to limit grants beyond those relating to federal immigration law enforcement. On November 20, 2017, the court ruled that such section is unconstitutional and issued a permanent, nationwide injunction enjoining enforcement of the section. It is not known if the federal government will appeal the ruling. The court's injunction is consistent with the City's position that controlling legal authority limits funding reductions to grants directly related to federal immigration law enforcement. Federal grants to the City arguably related to federal immigration law enforcement comprise a small percentage of the City's total budget. Moreover, most if not all of such grants support local law enforcement functions which the executive order expressly authorizes the Attorney General or Secretary of Homeland Security to exempt from reduction. If implementation of the executive order results in the reduction of federal aid to the City and/or the SCSD, the City expects that it would mount a vigorous legal challenge. However, there can be no guarantee that implementation of the executive order will not result in a significant reduction or delay in receiving such aid.

## TAX MATTERS

### Series 2018A Bonds

In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See APPENDIX E — "Form of Opinion of Bond Counsel for the Series 2018A Bonds."

The Code imposes various requirements that must be met in order that interest on the Series 2018A Bonds be and remain excluded from gross income for Federal income tax purposes. Failure to comply with the requirements of the Code may cause interest on the Series 2018A Bonds to be included in gross income for purposes of Federal income tax retroactive to the date of original execution and delivery of the Series 2018A Bonds, regardless of the date on which the event causing such inclusion occurs. The Issuer, the SCSD and the City have covenanted in the Indenture, the Installment Sale Agreement and the Tax Compliance Agreement to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Issuer, the SCSD and the City.

Certain requirements and procedures contained or referred to in the Indenture, the Installment Sale Agreement, the Tax Compliance Agreement and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Barclay Damon LLP states that such firm, as Bond Counsel, expresses no opinion as to any Series 2018A Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Barclay Damon LLP.

The excess of the principal amount of a maturity of a Series 2018A Bond over the issue price of such maturity of Series 2018A Bond (a "Discount Bond") constitutes "original issue discount," the accrual of which, to the extent properly allocable to the Beneficial Owner thereof, constitutes "original issue discount" which is excluded from gross income for Federal income tax purposes. For this purpose, the issue price of a maturity of Series 2018A Bonds is the first price at which a substantial amount of such maturity of Series 2018A 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). Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount. Beneficial Owners of Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Discount Bonds.

Series 2018A Bonds purchased, whether at original issuance or otherwise, at prices greater than the stated principal amount thereof are "Premium Bonds." Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond

premium and, under certain circumstances, the Beneficial Owner of Premium Bonds may realize taxable gain upon disposition of such Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that a Beneficial Owner of Premium Bonds is treated as having received for Federal tax purposes (and an adjustment to basis). Beneficial Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of ownership of Premium Bonds.

On December 22, 2017, the President signed into law a bill (the "Tax Act") amending the Code. The Tax Act repeals the authority for the Issuer to issue tax-exempt bonds to advance refund bonds such as the Series 2018A Bonds. The Tax Act does not change the exclusion of interest on the Series 2018A Bonds from gross income for Federal income tax purposes. The Tax Act contains significant changes including, among other things, eliminating alternative minimum tax on corporations and lowering income tax rates applicable to many individuals and corporations.

Prospective purchasers of the Series 2018A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2018A Bonds may have collateral Federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Interest on the Series 2018A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding.

Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2018A Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2018A Bonds for Federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the Federal or state level, may cause interest on the Series 2018A Bonds to be subject, directly or indirectly, to Federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2018A Bonds for Federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2018A Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2018A Bonds may occur. Prospective purchasers of the Series 2018A Bonds should consult their own advisors regarding any pending or proposed Federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion

Bond Counsel's engagement with respect to the Series 2018A Bonds ends with the issuance of the Series 2018A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the SCSD, the City or the Beneficial Owners of Series 2018A Bonds regarding the tax-exempt status of the Series 2018A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and its 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 Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2018A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2018A Bonds, and may cause the Issuer, the SCSD, the City or the Beneficial Owners to incur significant expense.

### **APPROVAL OF LEGAL MATTERS**

All legal matters incident to the authorization, issuance and delivery of the Series 2018A Bonds by the Issuer are subject to the approving opinion of Barclay Damon LLP, Syracuse, New York, Bond Counsel to the Issuer. A copy of the opinion of Bond Counsel will be available at the time of delivery of the Series 2018A Bonds, the form of which is set forth in APPENDIX E — "Form of Opinion of Bond Counsel for the Series 2018A Bonds" hereto. Certain legal matters will be passed upon for Issuer by Corporation Counsel of the City. Legal matters pertaining to the JSCB will be passed upon by its special finance counsel, Trespasz & Marquardt, LLP, Syracuse, New York, and for the SCSD and the City by the Corporation Counsel of the City. Certain legal matters will be passed upon for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York.

### **FINANCIAL ADVISOR**

Capital Markets Advisors, LLC (the "*Financial Advisor*") serves as independent financial advisor to the City and the SCSD on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Series 2018A Bonds and has reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2018A Bonds was based on materials provided by the City and the SCSD and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated or otherwise verified the information provided by the City or the SCSD or the information set forth in this Official Statement or any other information available to the City or the SCSD with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

### **NO LITIGATION**

It is a condition of their acceptance of the Series 2018A Bonds at closing that the Underwriters receive certificates from the Issuer, the SCSD and the City to the effect that there is no pending or, to the knowledge of the Issuer the SCSD or the City, threatened litigation against the Issuer, the SCSD or the City that in any way questions or affects the validity of the Series 2018A Bonds, the Indenture, the License Agreement, the Installment Sale Agreement, the State Aid Depository Agreement, or any



proceedings or transactions relating to the issuance, sale or delivery of the Series 2018A Bonds or the execution and delivery of any of such documents or that would materially and adversely affect the Series 2018A Project.

As of the date of this Official Statement, the SCSD and the City have certified that they do not know of any fact or set of facts from which liability might arise which individually or collectively would materially and adversely affect the business or operations of the SCSD, the City or the Series 2018A Project.

### **RATINGS**

The Series 2018A Bonds have been given unenhanced ratings (i) by Moody's Investors Service, Inc. of "Aa2", (ii) by Standard & Poor's of "AA" and (iii) by Fitch Ratings of "AA".

Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies and assumptions by such rating agency. A rating is not a recommendation to buy, sell or hold the Series 2018A Bonds. There is no assurance that a rating will continue for any given period of time or will not be revised downward, suspended or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such lowering, suspension or withdrawal of a rating might have an adverse effect upon the market price or marketability of the Series 2018A Bonds. The Underwriters, the Issuer, the SCSD and the City undertake no responsibility after the issuance of the Series 2018A Bonds to assure the maintenance of any of the ratings or to oppose any revision or withdrawal thereof.

### **UNDERWRITING**

Raymond James & Associates, Inc. as representative of the underwriters (the "Underwriters") under a Purchase Contract between the Issuer and the Underwriters (the "Purchase Contract"), has agreed, subject to certain conditions, to purchase the Series 2018A Bonds from the Issuer at a purchase price of \$ \_\_\_\_\_, being the par amount of the Series 2018A Bonds, plus a premium of \$ \_\_\_\_\_ less an underwriters' discount of \$ \_\_\_\_\_, and to make a public offering of the Series 2018A Bonds. The Underwriters will be obligated to purchase all such Series 2018A Bonds if any are purchased. In connection with the public offering of the Series 2018A Bonds, the Underwriters will be receiving compensation in the amount of the Underwriters' discount.

The Underwriters' obligation under the Purchase Contract to accept delivery of the Series 2018A Bonds is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The public offering price set forth on the cover page hereof may be changed from time to time at the discretion of the Underwriters.

Pursuant to the Purchase Contract, the SCSD and the City have agreed to indemnify the Underwriters and the Issuer against certain liabilities to the extent permitted by law.

### **SECONDARY MARKET DISCLOSURE**

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"), the JSCB will undertake, on behalf of the City and the SCSD, in a written agreement for the benefit of the holders and beneficial owners of the Series 2018A Bonds (the "Continuing Disclosure Agreement") to electronically file with the Municipal Securities Rulemaking Board ("MRSB"), as the sole nationally recognized securities repository through the MSRB's Electronic Municipal Market Access ("EMMA") System, on an annual

basis no later than one calendar year after the end of each respective Fiscal Year of the City and the SCSD, commencing with the Fiscal Year ending June 30, 2018, certain financial and operating data concerning the City and the SCSD of the type included in this Official Statement and as specified in the Continuing Disclosure Agreement. In addition, the JSCB will undertake, on behalf of the City and the SCSD, for the benefit of the holders and beneficial owners of the Series 2018A Bonds, to electronically file with the MSRB through EMMA, in a timely manner, not in excess of ten (10) business days after the occurrence, notices of any of the events enumerated in the Rule. Any filing to be made under the Continuing Disclosure Agreement may be made solely by transmitting such filing to the MSRB through EMMA as provided at <http://emma.msrb.org>. See APPENDIX F — “Form of Continuing Disclosure Agreement.”

Continuing disclosure agreements which were executed by the SCSD with respect to each series of Project Bonds outstanding require the filing with each Nationally Recognized Municipal Securities Information Depository ("*NRMSIR*") or EMMA, as the case may be, of audited financial statements of the SCSD and certain financial and operating data of the type contained in the respective official statements relating to each of the respective Project Bonds outstanding no later than 360 days after the end of each respective fiscal year of the City and the SCSD. Audited financial statements for the SCSD were filed in a timely manner by the JSCB for each of the fiscal years ended June 30, 2015, 2016 and 2017. The JSCB filed a copy of the SCSD's 2013 audited financial statements on June 29, 2014, which was 4 days late. However, due to an administrative oversight, for the fiscal year ended June 30, 2014 a copy of the audited financial statements of the City and not the SCSD was filed on May 8, 2015. Although the audited financial statements of the City included information relating to the SCSD and the JSCB, a full copy of the SCSD's audited financial statements did not accompany the filing. The JSCB subsequently filed a full copy of the SCSD's 2014 audited financial statements on July 29, 2015, which was 34 days late. In addition, annual financial information and operating data for the fiscal years ended June 30, 2011, 2012, 2013, and 2014 were filed late by 4, 3, 4, and 5 days, respectively. The late filings for the 2011 through 2014 fiscal years were due to a misunderstanding as to the required filing date, which was believed to be not later than the end of succeeding fiscal year. In addition, due to an administrative oversight, annual financial information and operating data for the fiscal years ended June 30, 2015 was filed on March 29, 2017 which was 269 days late. The operating data posted for the 2015 fiscal year included certain information in connection with fiscal 2016, but the filing itself was not labeled to include the 2016 fiscal year. On January 22, 2018, along with a material event notice, a separate document was filed in connection with the 2016 operating data. Aside from the foregoing, the JSCB is in compliance with all existing continuing disclosure agreements during the previous five years. The JSCB has established procedures to insure that future filings of continuing disclosure information will be complete and will be undertaken in a timely manner in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

#### MISCELLANEOUS

The summaries of and references herein to the Act, the Syracuse Schools Act, the Series 2018A Bonds, the Indenture, the Installment Sale Agreement, the State Aid Depository Agreement, the License Agreement, and other documents and materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such documents for the complete provisions thereof, copies of which may be obtained from the Trustee.

The financial statements of the City and the financial statements of the SCSD are audited each year by the firm of Bonadio & Co., LLP, Syracuse, New York. The SCSD is reported as a blended

component unit in the City's financial statements. The separate audited financial statements of SCSD, the notes thereto and the auditors' report thereon for the year ended June 30, 2017 are presented in Appendix A.

The auditors consented to the use of their audit report in this Official Statement, however, no additional auditing procedures have been performed to consider events subsequent to June 30, 2017.

Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the opinions, estimates or forecasts will be realized. This Official Statement is not to be construed as a contract or an agreement between the Issuer, the SCSD or the Underwriters and any purchaser of the Series 2018A Bonds.

The appendices hereto are an integral part of this Official Statement and must be read together with all of the foregoing statements.

The City and SCSD have reviewed the information contained herein that relates to them, their properties and operations, and has approved all such information for use within this Official Statement.

The distribution of this Official Statement to prospective purchasers of the Series 2018A Bonds by the Underwriters has been duly authorized by the Issuer, the City and the SCSD. This Official Statement is made available only in connection with the sale of the Series 2018A Bonds and may not be used in whole or in part for any other purpose.

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**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:   /s/    
Honora Spillane  
Executive Director

**SYRACUSE CITY SCHOOL DISTRICT**

By:   /s/    
Jaime Alicea  
Superintendent

By:   /s/    
Derrick Dorsey  
President of the Board of Education

**CITY OF SYRACUSE**

By:   /s/    
Benjamin R. Walsh  
Mayor

March \_\_, 2018

**APPENDIX A**

**CERTAIN FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS  
OF THE CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

For the period ending June 30, 2017

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**CITY SCHOOL DISTRICT OF  
SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE  
CITY OF SYRACUSE, NEW YORK)**

**Financial Statements and Required Reports  
Under Uniform Guidance as of and for the Year Ended  
June 30, 2017**

**Bonadio & Co., LLP**  
Certified Public Accountants

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**TABLE OF CONTENTS**

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|  | <u>Page</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT.....  | 1-3         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....  | 4-17        |
| BASIC FINANCIAL STATEMENTS:  |             |
| Government-wide Financial Statements:  |             |
| Statement of Net Position.....   | 18          |
| Statement of Activities and Change in Net Position.....  | 19          |
| Fund Financial Statements:   |             |
| Balance Sheet - Governmental Funds.....  | 20          |
| Reconciliation of the Balance Sheet of Governmental Funds to the<br>Statement of Net Position.....   | 21          |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances - Governmental Funds.....  | 22          |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities and<br>Changes in Net Position..... | 23          |
| Statement of Fiduciary Net Position - Fiduciary Funds .....  | 24          |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....  | 25          |
| Notes to Basic Financial Statements.....   | 26-53       |
| REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):  |             |
| Schedule of Revenues, Expenditures and Encumbrances -<br>Budget and Actual - General Fund .....  | 54          |
| Schedule of Funding Progress for Postemployment Benefits .....   | 55          |
| Schedule of Proportionate Share of Net Pension Liability (Asset).....  | 56          |
| Schedule of Contributions - Pension Plans.....   | 57          |



|   | <u>Page</u> |
|---|-------------|
| SUPPLEMENTARY INFORMATION:  |             |
| Combining Statements - Nonmajor Governmental Funds:   |             |
| Combining Balance Sheet - Nonmajor Governmental Funds.....  | 58          |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Governmental Funds.....  | 59          |
| Capital Projects Fund - Schedule of Project Expenditures - (Unaudited).....   | 60          |
| Net Investment in Capital Assets - (Unaudited).....   | 61          |
| REQUIRED REPORTS UNDER UNIFORM GUIDANCE   |             |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 62-63       |
| Independent Auditor's Report on Compliance for Each Major Federal Program and<br>on Internal Control over Compliance Required by Uniform Guidance.....  | 64-65       |
| Schedule of Expenditures of Federal Awards.....   | 66-68       |
| Notes to Schedule of Expenditure of Federal Awards.....   | 69          |
| Schedule of Prior Year Audit Findings.....  | 70          |
| Schedule of Findings and Questioned Costs.....  | 71-73       |

**INDEPENDENT AUDITOR'S REPORT**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter – Correction of Errors**

As described in Note 13 to the financial statements, the fund balance and net position of the Joint School Construction Board Fund and General Fund at July 1, 2016 of the Governmental Funds Financial Statements were decreased and increased by \$1,596,046, respectively, to reflect a correction of error related to debt service transactions between the funds.

As described in Note 13 to the financial statements, net position at July 1, 2016 of the government-wide financial statements was increased by \$35,831,033 to reflect a correction of an error in recognizing capital assets.

Our opinions are not modified with respect to these matters.

### **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Encumbrances - Budget and Actual - General Fund, Schedule of Funding Progress for Postemployment Benefits, Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions-Pension Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City School District of Syracuse, New York's basic financial statements. The supplementary information on pages 60-61, as required by New York State Education Department and the combining and individual nonmajor fund financial statements on pages 58-59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information on pages 60-61 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the City School District of Syracuse, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City School District of Syracuse, New York's internal control over financial reporting and compliance.

*Bonadio & Co., LLP*

(Continued)

# CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2017

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The purpose of the discussion and analysis of the Syracuse City School District's (the District) financial performance is to provide the reader with an overall review of the District's financial activities including its blended component unit, Joint Schools Construction Board (JSCB) for the year ended June 30, 2017 based on currently known facts, decision, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. To enhance their understanding of the District's financial performance, readers should refer to the basic financial statements and the notes to the basic financial statements which immediately follow this section.

### FINANCIAL HIGHLIGHTS

#### Government-wide Statement Overview

- During the year the District provided program services at a net expense of \$400.1 million of which it received \$330.8 million from State and Federal sources. The balance was funded by taxes and other miscellaneous revenue sources.
- The District's combined net position for all activities decreased by \$8.8 million as a result of this year's operations.
- At June 30, 2017, combined net position for all activities was a deficiency of \$254.5 million mainly as a result of recognizing other postemployment benefits (OPEB) expenditures of \$486.3 million.
- At June 30, 2017, combined capital assets, net of depreciation were \$285.4 million.
- The combined depreciation expense for all activities was \$9.5 million.
- The total long-term bonds payable, as of June 30, 2017, were \$130.8 million, a decrease of \$12.8 million from the prior year.

#### Fund Financial Statement Overview

- The total revenue for all governmental funds was \$489.0 million which was an increase of \$24.5 million or 5.3% over the 2015-2016 year.
- The final General Fund budget (including the prior year's encumbrances) of \$411.4 million was an increase of \$15.2 million or 3.8% over the 2015-2016 year.
- General Fund revenues (including operating transfers in) of \$396.3 million were an increase of \$27.4 million or 7.4% over the 2015-2016 year.
- General Fund expenditures (including operating transfers out) of \$388.9 million were an increase of \$11.2 million or 3.0% over the 2015-2016 year.
- The General Fund's fund balance increased by \$7.3 million from \$36.5 million, as restated, to \$43.8 million due to an excess of revenues over expenditures.

## USING THIS ANNUAL REPORT

This annual report consists of three components: MD&A, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- Government-wide financial statements that include the Statement of Net Position and the Statement of Activities and Changes in Net Position. These statements provide both short-term and long-term information about the activities of the District as a whole as well as the District's blended component unit, JSCB.
- Fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column. JSCB, a blended component unit of the District, is presented as a major component unit in the governmental fund financial statements.

The governmental fund financial statements show how basic services such as general and special education were financed in the short-term, as well as how much remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of those outside the District.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements including a comparison of the District's General Fund budget to actual for the year.

Table 1, on the next page, summarizes the major features of the District's financial statements, including the portion of the District's activities covered and the types of information contained. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

**USING THIS ANNUAL REPORT (Continued)**

**Table 1** Major Features of the Government-wide and Fund Financial Statements

|  | Fund Financial Statements   |  |  |
|--|---|--|--|
|  | Government-wide   | Governmental Funds   | Fiduciary Funds  |
| Scope  | Entire District (except fiduciary funds)  | The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance  | Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies   |
| Required financial statements  | <ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities and Changes in Net Position</li> </ul>    | <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>   | <ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>  |
| Accounting basis and measurement focus   | Accrual accounting and economic resources focus   | Modified accrual accounting and current financial focus  | Accrual accounting and economic resources focus  |
| Type of asset/deferred outflows of resources/liability/deferred inflows of resources information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term | Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included | All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information   | All revenues and expenses during year, regardless of when cash is received or paid  | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable  | All additions and deductions during the year, regardless of when cash is received or paid (Trust Fund only)  |

## **USING THIS ANNUAL REPORT (Continued)**

### **Government-wide Financial Statements**

One of the most fundamental and key questions relative to any School District is *How did we do financially during the course of this past year?* To help answer this question, the Statement of Net Position and the Statement of Activities and Changes in Net Position provide information on the School District as a whole using accounting methods similar to those used by private-sector companies. These statements present a summary of assets, deferred outflows of resources, liabilities and deferred inflows of resources as well as revenues and expenses using the accrual basis of accounting similar to those methods used by private-sector companies. All of the current year's revenues and expenses are accounted for in the Statement of Activities and Changes in Net Position regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net Position - the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial situation is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the Government-wide Statement of Net Position and the Statement of Activities and Changes in Net Position, the District's activities are shown as Governmental Activities. The majority of the District's basic programs and services are reported here, including general and special education, pupil transportation, and administration. Property taxes and State formula aid finance most of these activities.

### **Fund Financial Statements**

The Fund Financial Statements provide more detailed information about the District's funds, focusing on the most significant or major funds, rather than the District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).



## **USING THIS ANNUAL REPORT (Continued)**

### **Fund Financial Statements - (Continued)**

The District has three types of activities:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because these assets are not available to finance the District's operations.
- **Blended Component Unit:** The District includes one separate legal entity in this report - JSCB. JSCB is a joint venture between the District and the City of Syracuse (The City). JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable State and Local laws. JSCB has a fiscal year which ends June 30.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 2) and the changes in net position (Table 3) of the District's governmental activities.

In Table 2, total governmental assets decreased by approximately 15.5% mainly due to the decrease of the District's proportionate share of the New York State Teachers' Retirement System's (NYSTRS) net pension asset from \$109 million to a net pension liability of \$12.2 million. This decrease was partially offset by the increase in cash on hand at year-end from the issuance of \$29.8 million in bond anticipation notes (BAN) to fund JSCB construction expenditures scheduled to occur in the next fiscal year.

Total liabilities increased by \$42.5 million or 5.6%. The increase in the Other Liabilities category is mainly attributable to the growing liability for other postemployment benefits that rose by \$24.2 million this year and the increase in the District's share of the NYSTRS and New York State and Local Employees' Retirement System's (NYSERS) pension liabilities by \$16.9 million. These increases were partially offset by the decrease in Bonds Payable by \$12.8 million for the current year debt service payments that were made.

Deferred outflows of \$127.1 million and deferred inflows of \$11.3 million, an increase of \$83.5 million and a decrease of \$29.2 million, respectively from the prior year, were also recognized this year in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and 71 for the District's share of the NYSERS and NYSTRS pensions.

The District's combined governmental net deficit grew by approximately \$8.8 million or 3.6%. At June 30, 2017, the total liabilities exceeded the total assets by \$254.5 million (net deficit).

**Table 2 - Condensed Statement of Net Position  
(In Thousands of Dollars)**

|  | <b>Governmental Activities</b> |                     | <b>Percentage<br/>Change</b> |
|--|--------------------------------|---------------------|------------------------------|
|  | <b>2016</b><br>(as restated)   | <b>2017</b>         |                              |
| <b>Current and Other Assets</b>                  | <b>\$ 111,905</b>              | <b>\$ 142,768</b>   | <b>27.6%</b>                 |
| <b>Non-current Assets</b>                        | <b>394,871</b>                 | <b>285,430</b>      | <b>-27.7%</b>                |
| <b>Total Assets</b>                              | <b>506,776</b>                 | <b>428,198</b>      | <b>-15.5%</b>                |
| <b>Deferred Outflows of Resources</b>            | <b>44,826</b>                  | <b>127,955</b>      | <b>185.4%</b>                |
| <b>Bonds Payable - Due in One Year</b>           | <b>13,181</b>                  | <b>11,230</b>       | <b>-14.8%</b>                |
| <b>Bonds Payable - Due in More Than One Year</b> | <b>130,376</b>                 | <b>119,541</b>      | <b>-8.3%</b>                 |
| <b>Other Liabilities</b>                         | <b>613,270</b>                 | <b>668,587</b>      | <b>9.0%</b>                  |
| <b>Total Liabilities</b>                         | <b>756,827</b>                 | <b>799,358</b>      | <b>5.6%</b>                  |
| <b>Deferred Inflows of Resources</b>             | <b>40,487</b>                  | <b>11,294</b>       | <b>-72.1%</b>                |
| <b>Net Position</b>                              |                                |                     |                              |
| <b>Net investments in capital assets</b>         | <b>152,361</b>                 | <b>179,964</b>      | <b>18.1%</b>                 |
| <b>Restricted</b>                                | <b>15,560</b>                  | <b>11,690</b>       | <b>-24.9%</b>                |
| <b>Unrestricted (deficit)</b>                    | <b>(413,635)</b>               | <b>(446,152)</b>    | <b>7.9%</b>                  |
| <b>Total Net Deficit</b>                         | <b>\$ (245,714)</b>            | <b>\$ (254,498)</b> | <b>3.6%</b>                  |

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

As shown in Table 3 below, the District's total revenues from governmental activities increased by 6.0% or \$27.2 million primarily due to the \$26.2 million increase in General Aid from \$239.3 million in the prior year to \$265.5 million in the current year.

The cost of all governmental programs and services increased by 11.7% or \$51.0 million. The effect of the requirements of GASB 68 and 71 had a minimal impact on 2017 total expenses representing a \$0.5 million increase but in 2016 the effect resulted in a \$28.5 million reduction in expenses. Also, OPEB expense which is recorded based on an actuarial valuation represented a \$6.6 million increase compared to the amount recognized in 2016.

Salaries increased 3.5% or \$6.4 million over the prior year mainly due to contractual wage increases for instructional staff and other bargaining units, position increases for Vice Principal and Teaching Assistant staff, and additional funding for Attendance Teams and Academic Intervention Services. The District also experienced a significant increase in the number of staff members retiring in the current year resulting in retirement costs increasing by \$1 million as retiring staff members are eligible to receive retirement incentives and payouts in accordance with bargaining unit contract provisions. Employee retirement costs, on the other hand, decreased by 7.6% or \$1.8 million as the NYSTRS contribution rate decreased from 17.5% to 13.3% and NYSERS rates decreased as well.

Actively managing health and prescription costs by implementing a high deductible plan, Medicare Advantage Plan and Medicare Part D prescription drug retiree benefit (EGWP) plan coupled with lower volume and severity of claims resulted in medical and dental expenditures on the District's self-insured plan being \$2.1 million less than in the prior year.

Charter School tuition expense increased \$1.2 million in the current year when compared with the prior year due to increases in the billing rate and charter school enrollment.

Bond principal and interest payment amounts increased by \$3.0 million over the prior year as the District begins making principal and interest payments on JSCB project related bonds.

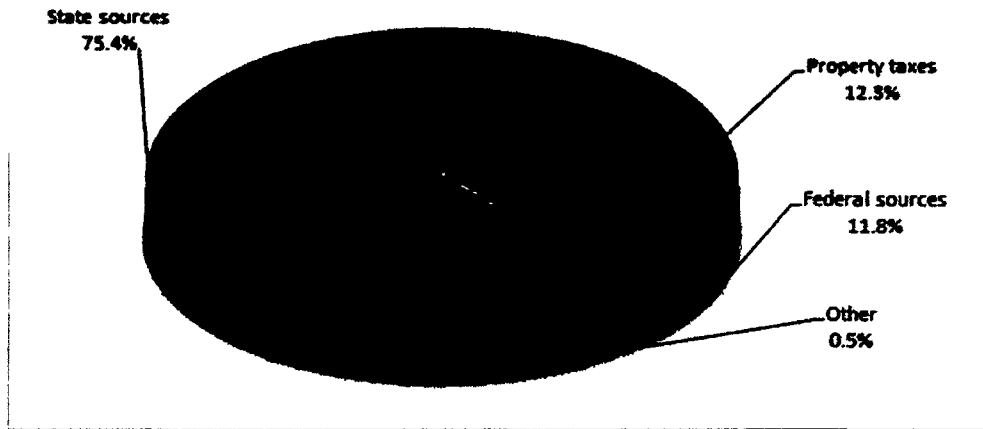
**Table 3 – Changes in Net Position from Operating Results (In Thousands of Dollars)**

|  | Governmental Activities |                   | Percentage Change |
|--|-------------------------|-------------------|-------------------|
|  | 2016                    | 2017              |                   |
| <b>Revenues</b>                            |                         |                   |                   |
| Program Revenues:                          |                         |                   |                   |
| Charges for Services                       | \$ 485                  | \$ 459            | -5.4%             |
| Operating Grants and Contributions         | 86,197                  | 85,456            | -0.9%             |
| General Revenues:                          |                         |                   |                   |
| Property Taxes and Other Taxes             | 58,253                  | 59,212            | 1.6%              |
| State and Local Sources                    | 300,394                 | 328,524           | 9.4%              |
| Federal Sources                            | 3,809                   | 2,278             | -40.2%            |
| Use of Money and Property                  | 159                     | 263               | 65.4%             |
| Miscellaneous                              | 721                     | 1,001             | 38.8%             |
| Total Revenues                             | <u>450,018</u>          | <u>477,193</u>    | 6.0%              |
| <b>Expenses</b>                            |                         |                   |                   |
| General Support                            | 57,392                  | 61,622            | 7.4%              |
| Instruction                                | 332,817                 | 377,961           | 13.6%             |
| Pupil Transportation                       | 23,354                  | 24,722            | 5.9%              |
| Community Service                          | 1,083                   | 1,111             | 2.6%              |
| School Food Service Program                | 13,192                  | 13,978            | 6.0%              |
| Interest                                   | 7,182                   | 6,583             | -8.3%             |
| Total Expenses                             | <u>435,020</u>          | <u>485,977</u>    | 11.7%             |
| <b>Increase (Decrease) in Net Position</b> | <u>\$ 14,998</u>        | <u>\$ (8,784)</u> | -158.6%           |

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

The District is dependent on New York State and Federal sources for financing day to day operations with these two funding sources comprising 87.2% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.

### Chart 1: Sources of Revenue for 2016-2017

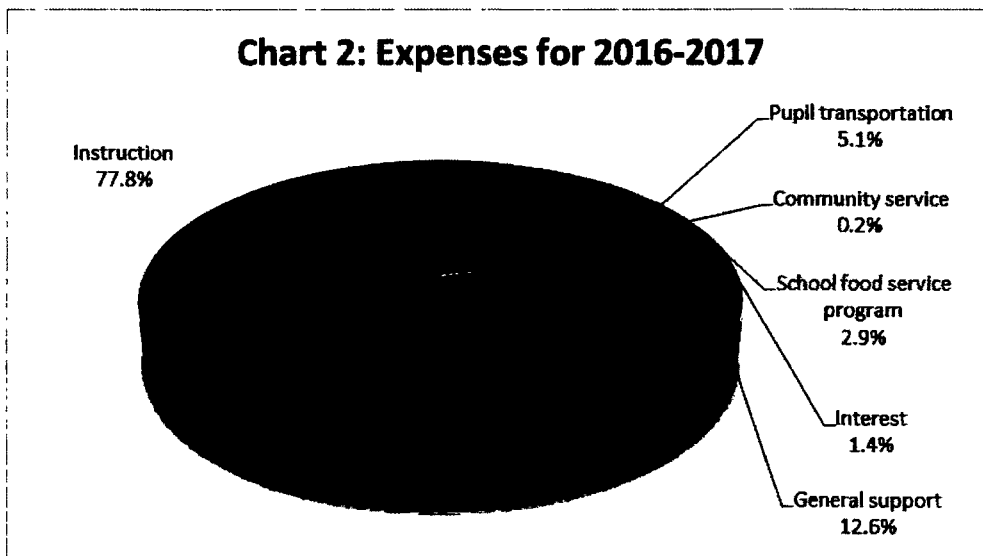


The District spent 77.8% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.9% providing meals to students through the School Food Service Program as shown in Chart 2 below.

Pupil Transportation services to transport all students who are residents of the District to sites both within and outside of the District utilized 5.1% of total expenditures.

General Support services such as custodial, maintenance, accounting and administrative services made up approximately 12.6% of total expenditures.

### Chart 2: Expenses for 2016-2017



## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2017, the District's governmental funds reported a combined fund balance of \$56.1 million, which is an increase of \$4.7 million from the prior year combined fund balance of \$51.4 million, as restated. The fund balance represents the accumulated results of the current and all previous years' operations.

The total fund balance is segregated into non-spendable, restricted, committed, assigned and unassigned amounts based on nature of the restriction imposed on the District's ability to use those net assets for day-to-day operations. More detailed information on the nature of each category of fund balance is presented in Note 1 to the financial statements. As a measure of each fund's liquidity, it may be useful to compare both its unassigned fund balance and total fund balance to total fund expenditures.

### **General Fund**

The General Fund's fund balance at June 30, 2017, is \$43.8 million, which is an increase of \$7.3 million from the prior year fund balance of \$36.5 million, as restated. Of the balance at June 30, 2017, \$28.7 million was unassigned. The unassigned fund balance represents 7.4% of the total current year General Fund expenditures, while total fund balance represents 11.3% of that same amount.

### **JSCB**

At June 30, 2017, JSCB, a blended component unit, reported a fund balance deficit of \$3.2 million, which is a decrease of \$7.3 million from the prior year fund balance of \$4.1 million, as restated. The entire amount of the fund balance is reserved for use in the related JSCB construction and renovation projects to be completed throughout the District.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's original adopted General Fund budget was \$411.4 million, consisting of the current year's operating budget of \$407.1 million and prior year's encumbrances of \$4.3 million. The final budget was the same as the original budget.

The actual charges to appropriations (expenditures) were \$22.5 million or 5.5% less than the final budget amount of \$411.4 million mainly due to health and prescription costs being less than budget by \$9.0 million. The District is self-insured paying actual claims as incurred, so significant savings were recognized from this year's lower than anticipated claim volume and severity as well as cost savings from implementing new prescription drug contract pricing and high deductible, Medicaid Advantage and EGWP health plans.

Contract service costs were also less, at \$8.9 million below budget, due to the availability of grant funding for afterschool programming, private and public school student placements at lower than anticipated levels, and actual executed contract amounts less than budgeted estimates for various services including Assurance of Discontinuance, translation, social media, and police services contracts.

Additionally, BOCES service costs were \$953 thousand less than anticipated due to the closure of the BOCES Kasson Road facility that provided special education services to District students and differences between the actual and budgeted level of related services to be provided for students' individualized education programs (IEPs). Utilities costs were \$854 thousand lower with natural gas prices remaining at 10-year record lows and electric rates following suit through most of the first half of the fiscal year. Transportation costs were \$821 thousand less than anticipated for the year based on routing efficiencies obtained and lower than anticipated costs for the expanded Centro transportation.

**GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$200 thousand more than the final budgeted amount of \$396.1 million. The District had lower than anticipated State Aid mainly in the transportation aid expenditure reimbursement category. The District had higher than anticipated operating transfers in for indirect cost allocations from the School Food Service program and grants as the District received more grants with an indirect cost allocation than anticipated. This allocation is designed to help support the administrative costs associated with operating the School Food Service and grant funded programs.

For a more detailed comparison of budget to actual operating results by category, refer to the Required Supplementary Information Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual for the Year Ended June 30, 2017.

**CAPITAL ASSETS**

At June 30, 2017, the District had \$285.4 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net decrease of \$208 thousand or 0.1% from last year, as restated. The District completed the Building Condition Survey and finalized the Greystone project study phase transferring \$6.6 million from construction in progress to buildings and improvements and software and added an additional \$6.9 million to construction in progress as major renovations at various schools throughout the District are implemented under Phase II of the Joint Schools Construction Board school reconstruction program and the first Smart Schools Bond Act (SSBA) project begins.

**Table 4 - Capital Assets at Year End  
(Net of Depreciation/Amortization, in Thousands of Dollars)**

|                            | Governmental Activities |                   | Percentage<br>Change |
|----------------------------|-------------------------|-------------------|----------------------|
|                            | 2016<br>(as restated)   | 2017              |                      |
| Land                       | \$ 1,480                | \$ 1,480          | 0.0%                 |
| Land Improvements          | 79                      | 75                | -5.1%                |
| Buildings and Improvements | 217,742                 | 216,374           | -0.6%                |
| Furniture and Equipment    | 2,827                   | 3,030             | 7.2%                 |
| Vehicles                   | 1,328                   | 1,457             | 9.7%                 |
| Software                   | 2,412                   | 2,984             | 23.7%                |
| Construction in Progress   | 59,770                  | 60,030            | 0.4%                 |
| <b>Total</b>               | <b>\$ 285,638</b>       | <b>\$ 285,430</b> | <b>-0.1%</b>         |

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

## DEBT ADMINISTRATION

At June 30, 2017, the District had \$130.8 million of bonds payable outstanding compared to \$143.6 million last year, a decrease of \$12.8 million or 8.9% for the principal payments made during the year. The District issued refunding bonds in the current year to refinance existing debt for a lower interest rate. As the District continues to renovate aging facilities, it is anticipated debt will increase in future years.

More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

## CHALLENGES FACING THE DISTRICT

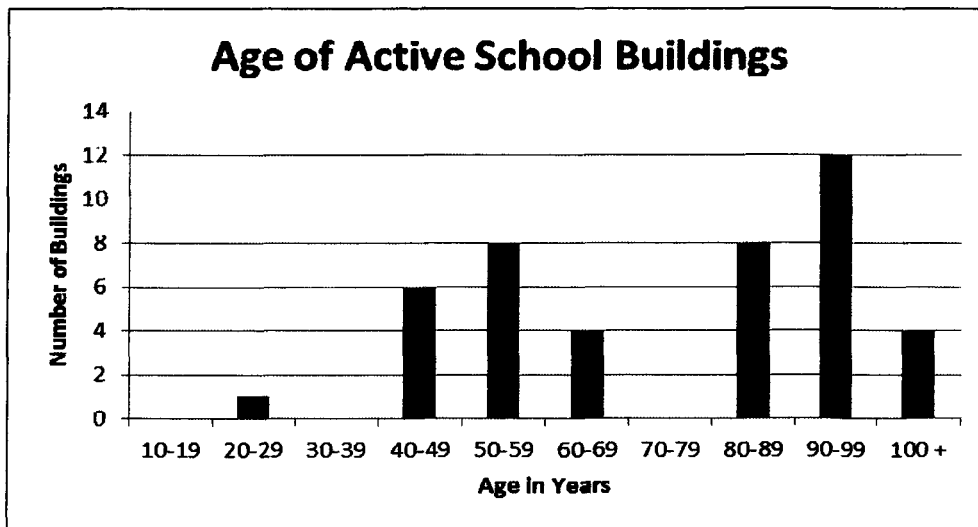
As a dependent school district without the authority to raise taxes or issue debt, the District is directly affected by Local and State economic conditions. Like many urban based districts, the Syracuse City School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily salary, wages, employee benefits, and charter schools), an aging infrastructure and decreasing property tax valuations.

Additionally, a number of policy and funding changes are being deliberated at the Federal level that could potentially impact the District. Changes that are under consideration include: reductions and reallocations of major Federal education funding programs including funding for summer and after-school programs and teacher training; an increased focus on school choice including vouchers for private schools and additional charter school funding; modifications to the nation's health care system; and changes to the Federal Medicaid program. The District is closely monitoring developments at the Federal level so that any changes can be incorporated into both short and long-term financial planning.

Maintaining and operating District facilities also presents a significant challenge, one which is made more difficult given the age of the school buildings. Nearly 60% of the District's facilities are 80 years or older (see Table 5). In response to the need to allocate funds to meet the increasing costs of instructional activities, funding routine maintenance has been curtailed. Consequently, the amount of deferred maintenance continues to increase.

All these challenges impact the District's ability to both attract and retain a high quality instructional and administrative workforce.

**Table 5  
Age of Active Buildings**



## **CHALLENGES FACING THE DISTRICT (Continued)**

As we look forward there are, however, some notable initiatives that will have a positive impact on the District's ability to achieve its mission.

In January 2006, the New York State Legislature authorized the Syracuse Cooperative School Reconstruction Act and the Joint City Schools Construction Board to act as an agent of the City and the Board of Education to implement various school reconstruction projects.

The State authorized the total cost of an initial group of projects not to exceed \$225 million. However, JSCB has elected to limit the cost impact of these projects by reducing the size of the initial phase to \$150 million.

During the 2009-2010 fiscal year, the first phase of roof replacement projects at Clary and Bellevue Academy at Shea were completed. During 2010-2011, the second phase of the roof replacement projects for Clary and Bellevue Academy at Shea were completed. In 2011-2012, construction began on major renovation projects at Central Tech, Dr. Weeks, H.W. Smith, and Fowler. During 2012-13, the Fowler, Dr. Weeks, and Central Tech project reached the substantial completion stage of construction. The H.W. Smith project was substantially complete in December 2013.

In April 2017, JSCB completed a refunding of its Phase I Series 2008 bonds in order to take advantage of favorable interest rates, realizing a net savings of \$3.4 million in debt service costs over the remaining life of the bond.

In May 2013, the Legislature approved an amended version of the Syracuse Cooperative School Reconstruction Act (JSCB Phase II) that authorizes a second phase of up to twenty school reconstruction projects for an amount not to exceed \$300 million. The JSCB Phase II bill was signed into law by the Governor in October 2013. Specific schools to be renovated are named in the legislation. Projects for these schools were to be recommended as part of a comprehensive planning process to be undertaken by the District. The planning process is completed with JSCB approving the Comprehensive Plan in December 2014 and the Office of the State Comptroller approving in June 2015. Design for the first seven Phase II projects is nearing completion and construction is expected to begin in spring 2018. In order to finance the initial design phase of JSCB Phase II projects, the City of Syracuse issued Bond Anticipation Notes (BANs) on behalf of JSCB. As of June 30, 2017, JSCB BANs in the amount of \$29.8 million were outstanding.

To support the District, the Syracuse City School District Educational Foundation (the-Foundation), an independent, non-profit, was formed in 2003 with the mission to supplement, support and enrich the student experience to prepare students for a successful future. The Foundation's grants program has successfully provided funding for a wide array of educational resources such as educational technology, class programming aides, books, tutorial programs, supplies, instructional software programs, equipment, and more.



## CHALLENGES FACING THE DISTRICT (Continued)

The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 for the purpose of creating the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011. The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. In the long term, the improvement of these properties has the potential to increase property tax assessment values and increase the related property tax levy revenue for the District. In the short term, when a property is purchased and ownership transferred to the Land Bank, the property becomes tax exempt and the value of the property is removed from the tax levy reducing the District's property tax revenue. The District's property tax revenue was reduced by approximately \$310 thousand in the current fiscal year for these transfers and other adjustments.

In New York, adequate and equitable funding has been challenged, resulting in a school based funding lawsuit specifically addressing the adequacy of funding for New York City based schools. Several courts, including the New York State Court of Appeals, have determined that the current funding formula in New York State does not provide adequate funding for New York City and therefore students are unable to receive a sound basic education. On November 20, 2006 the New York State Court of Appeals issued a decision indicating a lack of adequate funding for New York City Schools.

In April 2007, the New York State Legislature enacted the State Education Budget and Reform Act of 2007 (Education Act) to offer resources and aid to the highest-need students in the lowest-performing schools. The Legislature passed a budget for the 2008-09 school year that fully funded the aid increases contained in the Education Act. However, school aid was frozen in the 2009-10 budget due to the State's fiscal challenges, and remained frozen in the 2010-11 and 2011-12 school years. Modest increases in school aid were provided beginning in 2012-13 and have continued into 2017-18.

In February 2014, New Yorkers for Students' Educational Rights (NYSER) filed a lawsuit (*NYSER v. State of New York*) on behalf of a group of parents and students from across the State alleging that the State is not providing sufficient funds to schools to allow for all schools to provide the required sound basic education to all students throughout the State. The New York Court of Appeals ruled on this lawsuit in June 2017 determining that the lawsuit can only move forward to trial on behalf of students in New York City and Syracuse, as opposed to all students, because the lawsuit alleged specific deficiencies in these specific districts.

Also, ongoing is *Maisto v. State*, filed in 2008 by parents and students in eight small city school districts in New York alleging that the State is not providing sufficient funding to these districts to provide the required sound basic education to their students. In October 2017, the New York Court of Appeals reversed the original 2016 Supreme Court ruling to dismiss this case, allowing for the case to return to court for a retrial.

## **NEXT YEAR'S BUDGET**

In preparing the 2017-18 operating budget, the District faced several challenges including school receivership requirements, extended learning time and community schools initiatives, alternative education programming and systems of support, enhanced career and technical education programs, an increase in educational accountability, growing charter school enrollment including the opening of a new charter school with K-2 enrollment, and an overall increase in the District's operating costs.

The District's portion of the Property Tax Levy increased by less than 1% over the 2016-17 adopted budget and State aid increased by approximately 4%. Sales tax revenues are projected to decrease by 30%. The budget includes \$8.9 million in appropriated fund balance.

In order to balance the budget, the District will apply for a special apportionment provided pursuant to the New York State Laws of 2017 which allows school districts to accrue a portion of their subsequent year's State aid into the current fiscal year.

The District, in conjunction with the City of Syracuse, continues to aggressively manage its spending and evaluate opportunities for increased efficiency, consolidation and cost reduction.

## **CONTACTING THE DISTRICT FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact:

The Office of the Chief Financial Officer  
Syracuse City School District  
1025 Erie Blvd. West  
Syracuse, New York 13204-2749  
Fax (315) 435-6321  
Telephone (315) 435-4826

Although the Joint Schools Construction Board (JSCB) is a blended component unit of the District, JSCB issues a separate financial statement. To obtain this report, please contact:

The Commissioner of Finance  
Joint Schools Construction Board  
City Hall  
Syracuse, New York 13202

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Pooled cash and cash equivalents held by City                    | \$ 33,212,873                      |
| Pooled cash and cash equivalents held by District                | 131,036                            |
| Pooled Restricted cash and cash equivalents held by City         | 34,939,953                         |
| Pooled Restricted cash and cash equivalents held by District     | 16,995                             |
| Receivables:   |                                    |
| State and Federal aid  | 64,905,219                         |
| Due from other governments                                       | 183,944                            |
| Due from City  | 3,812,613                          |
| Other  | 3,936,048                          |
| Inventories  | 1,616,052                          |
| Prepaid expenses   | 13,444                             |
| Capital assets, net of accumulated depreciation/<br>amortization | <u>285,429,939</u>                 |
| Total Assets   | <u>428,198,116</u>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                            |                                    |
| Deferred outflows of resources- TRS Pension                      | 118,179,149                        |
| Deferred outflows of resources- ERS Pension                      | 8,957,003                          |
| Deferred charges   | <u>819,269</u>                     |
| Total Deferred Outflows of Resources                             | <u>127,955,421</u>                 |
| <b>LIABILITIES</b>   |                                    |
| Payables:  |                                    |
| Accounts payable   | 22,597,331                         |
| Accrued expenses   | 5,196,725                          |
| Accrued payroll  | 2,458,360                          |
| Due to other governments   | 919,585                            |
| Accrued interest   | 1,059,765                          |
| Due to Fiduciary Funds   | 188,304                            |
| Bond anticipation notes  | 29,800,000                         |
| Long-term liabilities:   |                                    |
| Due and payable within one year:                                 |                                    |
| Bonds payable  | 11,230,185                         |
| Premium on bonds payable   | 842,299                            |
| Compensated absences payable                                     | 6,052,718                          |
| Due to retirement systems  | 24,046,768                         |
| Self-insured employee health plan claims                         | 331,156                            |
| Self-insured workers' compensation claims                        | 5,136,795                          |
| Lottery aid payable  | 1,016,667                          |
| Due and payable in more than one year:                           |                                    |
| Bonds payable  | 119,540,561                        |
| Premium on bonds payable   | 7,695,351                          |
| Self-insured workers' compensation claims                        | 31,757,080                         |
| Other postemployment benefits                                    | 486,332,866                        |
| Net pension liability  | 25,121,771                         |
| Lottery aid payable  | <u>18,033,333</u>                  |
| Total Liabilities  | <u>799,357,620</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |                                    |
| Deferred inflows of resources- TRS Pension                       | 9,039,622                          |
| Deferred inflows of resources- ERS Pension                       | <u>2,254,473</u>                   |
| Total Deferred Inflows of Resources                              | <u>11,294,095</u>                  |
| <b>NET POSITION</b>  |                                    |
| Net investment in capital assets                                 | 179,964,203                        |
| Restricted   | 11,690,293                         |
| Unrestricted (deficit)   | <u>(446,152,673)</u>               |
| Total Net Position   | <u>\$ (254,498,177)</u>            |

The accompany notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | Expenses              | Program Revenues        |                                     | Net (Expense)<br>Revenue and<br>Change in<br>Net Position |
|---|-----------------------|-------------------------|-------------------------------------|---|
|   |                       | Charges for<br>Services | Operating Grants<br>& Contributions |   |
| General support                                     | \$ 61,621,620         | \$ -                    | \$ -                                | \$ (61,621,620)   |
| Instruction   | 377,960,666           | 184,829                 | 68,999,819                          | (308,776,018)   |
| Pupil transportation                                | 24,722,394            | -                       | 480,135                             | (24,242,259)  |
| Community service                                   | 1,111,079             | -                       | 1,033,685                           | (77,394)  |
| School food service program                         | 13,978,080            | 273,972                 | 14,942,310                          | 1,238,202   |
| Interest  | 6,583,454             | -                       | -                                   | (6,583,454)   |
| <b>Total</b>  | <b>\$ 485,977,293</b> | <b>\$ 458,801</b>       | <b>\$ 85,455,949</b>                | <b>(400,062,543)</b>                                      |
| <b>GENERAL REVENUES</b>                             |                       |                         |                                     |   |
| General property taxes                              |                       |                         |                                     | 58,556,586  |
| Nonproperty taxes                                   |                       |                         |                                     | 654,940   |
| Use of money and property                           |                       |                         |                                     | 262,915   |
| Sale of property and compensation for loss          |                       |                         |                                     | 232,777   |
| Miscellaneous                                       |                       |                         |                                     | 769,217   |
| State and local sources                             |                       |                         |                                     | 328,524,063   |
| Federal sources                                     |                       |                         |                                     | 2,277,582   |
| <b>Total General Revenues</b>                       |                       |                         |                                     | <b>391,278,080</b>  |
| Change in Net Position                              |                       |                         |                                     | (8,784,463)   |
| Total Net Position - beginning of year              |                       |                         |                                     | (281,544,747)   |
| Prior Period Adjustment                             |                       |                         |                                     | 35,831,033  |
| Total Net Position - beginning of year, as restated |                       |                         |                                     | (245,713,714)   |
| Total Net Position - end of year                    |                       |                         |                                     | <b>\$ (254,498,177)</b>                                   |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017**

|  | General              | Special<br>Aid       | Joint Schools<br>Construction<br>Board | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|--|--------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                      |  |                          |                                |
| <b>CASH</b>  |                      |                      |  |                          |                                |
| Pooled cash and cash equivalents held by City                | \$ 33,212,873        | \$ -                 | \$ -                                   | \$ -                     | \$ 33,212,873                  |
| Pooled cash and cash equivalents held by District            | 131,036              | -                    | -                                      | -                        | 131,036                        |
| Pooled restricted cash and cash equivalents held by City     | 1,923,128            | -                    | 29,617,850                             | 3,398,975                | 34,939,953                     |
| Pooled restricted cash and cash equivalents held by District | -                    | -                    | -                                      | 16,995                   | 16,995                         |
| <b>RECEIVABLES</b>   |                      |                      |  |                          |                                |
| Due from other funds   | 4,610,262            | -                    | -                                      | 10,962,674               | 15,572,936                     |
| State and Federal aid  | 45,728,574           | 17,938,356           | -                                      | 1,238,289                | 64,905,219                     |
| Due from other governments                                   | 183,944              | -                    | -                                      | -                        | 183,944                        |
| Due from JSCB  | 2,166,958            | -                    | -                                      | -                        | 2,166,958                      |
| Due from the City  | 3,812,613            | -                    | -                                      | -                        | 3,812,613                      |
| Other  | 290,167              | 3,615,153            | -                                      | 30,728                   | 3,936,048                      |
| <b>INVENTORY</b>   | 1,037,120            | -                    | -                                      | 578,932                  | 1,616,052                      |
| <b>PREPAID EXPENSES</b>                                      | 13,444               | -                    | -                                      | -                        | 13,444                         |
| <b>Total assets</b>  | <u>\$ 93,110,119</u> | <u>\$ 21,553,509</u> | <u>\$ 29,617,850</u>                   | <u>\$ 16,226,593</u>     | <u>\$ 160,508,071</u>          |
| <b>LIABILITIES</b>   |                      |                      |  |                          |                                |
| <b>PAYABLES:</b>   |                      |                      |  |                          |                                |
| Accounts payable   | \$ 17,592,722        | \$ 3,881,936         | \$ -                                   | \$ 1,122,673             | \$ 22,597,331                  |
| Accrued expenses   | 4,391,385            | -                    | 805,340                                | -                        | 5,196,725                      |
| Accrued payroll  | 1,787,365            | 558,536              | -                                      | 112,459                  | 2,458,360                      |
| Due to other governments                                     | -                    | 916,755              | -                                      | 2,830                    | 919,585                        |
| Due to other funds   | -                    | 15,761,240           | -                                      | -                        | 15,761,240                     |
| Due to the District  | -                    | -                    | 2,166,958                              | -                        | 2,166,958                      |
| <b>NOTES PAYABLE</b>   |                      |                      |  |                          |                                |
| Bond anticipation note                                       | -                    | -                    | 29,800,000                             | -                        | 29,800,000                     |
| <b>OTHER LIABILITIES:</b>                                    |                      |                      |  |                          |                                |
| Due to retirement systems                                    | 24,046,768           | -                    | -                                      | -                        | 24,046,768                     |
| Self-insured workers' compensation claims                    | 1,459,716            | -                    | -                                      | -                        | 1,459,716                      |
| <b>Total liabilities</b>                                     | <u>49,277,956</u>    | <u>21,118,467</u>    | <u>32,772,298</u>                      | <u>1,237,962</u>         | <u>104,406,683</u>             |
| <b>FUND BALANCE</b>  |                      |                      |  |                          |                                |
| NON-SPENDABLE  | 1,050,564            | -                    | -                                      | 578,932                  | 1,629,496                      |
| RESTRICTED   | -                    | 435,042              | (3,154,448)                            | 14,409,699               | 11,690,293                     |
| ASSIGNED   | 14,122,478           | -                    | -                                      | -                        | 14,122,478                     |
| UNASSIGNED   | 28,659,121           | -                    | -                                      | -                        | 28,659,121                     |
| <b>Total fund balance</b>                                    | <u>43,832,163</u>    | <u>435,042</u>       | <u>(3,154,448)</u>                     | <u>14,988,631</u>        | <u>56,101,388</u>              |
| <b>Total liabilities and fund balance</b>                    | <u>\$ 93,110,119</u> | <u>\$ 21,553,509</u> | <u>\$ 29,617,850</u>                   | <u>\$ 16,226,593</u>     | <u>\$ 160,508,071</u>          |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

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Amounts reported for governmental activities in the statement of net position are different because:

|  |                         |
|--|-------------------------|
| Total governmental fund balances   | \$ 56,101,388           |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds   | 285,429,939             |
| Deferred charges recorded as incurred in the funds   | 819,269                 |
| GASB 68 related government wide activity   |                         |
| Deferred outflows of resources   | 127,136,152             |
| Net pension liability  | (25,121,771)            |
| Deferred inflows of resources  | (11,294,095)            |
| Accrued interest not paid and therefore not reported in the funds  | (1,059,765)             |
| Long-term liabilities, including bonds payable, compensated absences and other employee benefits, are not due and payable in the current period and therefore are not reported in the funds. | <u>(686,509,294)</u>    |
| Net position of governmental activities  | <u>\$ (254,498,177)</u> |

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | General            | Special<br>Aid    | Joint Schools<br>Construction<br>Board | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
|---|--------------------|-------------------|--|--------------------------|--------------------------------|
| <b>REVENUES</b>   |                    |                   |  |                          |                                |
| General property taxes  | \$ 58,556,586      | \$ -              | \$ -                                   | \$ -                     | \$ 58,556,586                  |
| Nonproperty taxes   | 654,940            | -                 | -                                      | -                        | 654,940                        |
| Charges for services  | 184,829            | -                 | -                                      | -                        | 184,829                        |
| Use of money and property   | 262,761            | -                 | -                                      | 154                      | 262,915                        |
| Sale of property and<br>compensation for loss   | 232,777            | -                 | -                                      | -                        | 232,777                        |
| Miscellaneous   | 769,217            | -                 | -                                      | -                        | 769,217                        |
| State and local sources   | 327,268,491        | 30,996,578        | -                                      | 1,627,750                | 359,892,819                    |
| Federal sources   | 1,563,970          | 39,517,061        | 713,612                                | 13,716,558               | 55,511,201                     |
| Surplus food  | -                  | -                 | -                                      | 853,574                  | 853,574                        |
| Sales - School Food Service Program   | -                  | -                 | -                                      | 273,972                  | 273,972                        |
| Pass-through New York State funding from the District                                   | -                  | -                 | 11,826,463                             | -                        | 11,826,463                     |
| <b>Total revenues</b>   | <b>389,493,571</b> | <b>70,513,639</b> | <b>12,540,075</b>                      | <b>16,472,008</b>        | <b>489,019,293</b>             |
| <b>EXPENDITURES</b>   |                    |                   |  |                          |                                |
| General support   | 55,255,037         | -                 | -                                      | 7,221,308                | 62,476,345                     |
| Instruction   | 285,513,075        | 70,699,999        | -                                      | -                        | 356,213,074                    |
| Pupil transportation  | 22,721,568         | 491,966           | -                                      | -                        | 23,213,534                     |
| Community service   | -                  | 1,059,155         | -                                      | -                        | 1,059,155                      |
| Pass-through New York State funding to JSCB   | 11,826,463         | -                 | -                                      | -                        | 11,826,463                     |
| Debt service  |                    |                   |  |                          |                                |
| Principal   | 105,000            | -                 | 6,865,000                              | 6,315,660                | 13,285,660                     |
| Interest  | 721,290            | -                 | 4,961,463                              | 1,816,215                | 7,498,968                      |
| Debt issuance costs   | -                  | -                 | 439,315                                | -                        | 439,315                        |
| Cost of sales   | -                  | -                 | -                                      | 6,055,108                | 6,055,108                      |
| Capital outlay  | -                  | -                 | 5,194,204                              | 1,707,407                | 6,901,611                      |
| <b>Total expenditures</b>   | <b>376,142,433</b> | <b>72,251,120</b> | <b>17,459,982</b>                      | <b>23,115,698</b>        | <b>488,969,233</b>             |
| Excess (deficiency) of revenues<br>over expenditures                                    | 13,351,138         | (1,737,481)       | (4,919,907)                            | (6,643,690)              | 50,060                         |
| <b>OTHER FINANCING SOURCES AND USES</b>   |                    |                   |  |                          |                                |
| BANs redeemed from appropriations   | -                  | -                 | 105,000                                | -                        | 105,000                        |
| Premium on issuance of bond anticipation note   | -                  | -                 | 231,633                                | -                        | 231,633                        |
| Proceeds from debt  | -                  | -                 | -                                      | 3,500,000                | 3,500,000                      |
| Proceeds of refunding bonds   | -                  | -                 | 29,260,000                             | -                        | 29,260,000                     |
| Premium on issuance of debt   | -                  | -                 | -                                      | 367,608                  | 367,608                        |
| Premium on refunding bonds  | -                  | -                 | 4,663,314                              | -                        | 4,663,314                      |
| Deposit to escrow agent   | -                  | -                 | (33,483,998)                           | -                        | (33,483,998)                   |
| Operating transfers in  | 6,765,831          | 3,954,765         | -                                      | 8,798,812                | 19,519,408                     |
| Operating transfers out   | (12,750,175)       | (2,149,636)       | (3,067,392)                            | (1,552,205)              | (19,519,408)                   |
| <b>Total other sources (uses)</b>   | <b>(5,984,344)</b> | <b>1,805,129</b>  | <b>(2,291,443)</b>                     | <b>11,114,215</b>        | <b>4,643,557</b>               |
| Excess (deficiency) of revenues<br>and other sources over<br>Net change in fund balance | 7,366,794          | 67,648            | (7,211,350)                            | 4,470,525                | 4,693,617                      |
| Fund balance - beginning of year  | 34,869,323         | 367,394           | 5,652,948                              | 10,518,106               | 51,407,771                     |
| Prior period adjustment   | 1,596,046          | -                 | (1,596,046)                            | -                        | -                              |
| Fund balance - beginning of year, as restated   | 36,465,369         | 367,394           | 4,056,902                              | 10,518,106               | 51,407,771                     |
| Fund balance - end of year  | \$ 43,832,163      | \$ 435,042        | \$ (3,154,448)                         | \$ 14,988,631            | \$ 56,101,388                  |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

---

|   |                       |
|---|-----------------------|
| Net Change in Fund Balance - Total Governmental Funds   | \$ 4,693,617          |
| Amounts reported for governmental activities in the Statement of Activities and Change in Net Position are different because:   |                       |
| Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.   | (9,677,680)           |
| Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.   | 9,468,934             |
| Payment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.  | 13,180,660            |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.  | 683,881               |
| Some expenses reported in the statement of activities, such as compensated absences and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | (22,366,563)          |
| Pension income(expense) resulting from GASB 68 related pension actuary reporting is not recorded as income(expense) in the government funds but is recorded in the statement of activities.   | (460,388)             |
| Payments of debt to an escrow agent are an other financing use in the governmental funds but a debt payment decreases long-term liabilities in the statement of net assets.   | 33,483,998            |
| Proceeds from debt are an other financing source in the governmental funds but a debt issuance increases long-term liabilities in the statement of net position.  | (32,760,000)          |
| Premiums on debt are an other financing source in the governmental funds but are deferred and amortized over the life of the debt issued in the statement of net position.  | <u>(5,030,922)</u>    |
| Change in Net Position of Governmental Activities   | <u>\$ (8,784,463)</u> |

The accompanying notes are an integral part of these statements



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS**  
**JUNE 30, 2017**

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|                                  | Private<br>Purpose<br>Trusts | Agency            |
|----------------------------------|------------------------------|-------------------|
| <b>ASSETS</b>                    |                              |                   |
| Restricted cash held by District | \$ 178,890                   | \$ 156,008        |
| Due from other funds             | <u>-</u>                     | <u>210,494</u>    |
| Total assets                     | <u>178,890</u>               | <u>366,502</u>    |
| <b>LIABILITIES</b>               |                              |                   |
| Due to other funds               | 22,190                       | -                 |
| Other liabilities                | <u>-</u>                     | <u>366,502</u>    |
| Total liabilities                | <u>22,190</u>                | <u>\$ 366,502</u> |
| <b>NET POSITION</b>              |                              |                   |
| Held in trust for scholarships   | <u>\$ 156,700</u>            |                   |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION- FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017**

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|                                  | <u>Private<br/>Purpose<br/>Trusts</u> |
|----------------------------------|---------------------------------------|
| <b>ADDITIONS</b>                 |                                       |
| Contributions                    | \$ 22,584                             |
| <br>Total additions              | <br><u>22,584</u>                     |
| <br><b>DEDUCTIONS</b>            |                                       |
| Loss on investment               | 4,393                                 |
| Scholarships and awards          | <u>22,190</u>                         |
| <br>Total deductions             | <br><u>26,583</u>                     |
| <br>Change in net position       | <br>(3,999)                           |
| Net position - beginning of year | <u>160,699</u>                        |
| Net position - end of year       | <u>\$ 156,700</u>                     |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City School District of Syracuse, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below.

**A. Financial Reporting Entity**

The City School District of Syracuse, New York is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying basic financial statements are those transactions which comprise school district operations, and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, functions and organizations over which the School District Officials exercise oversight responsibility and the activities of a blended component unit, the Joint Schools Construction Board.

The reporting entity of the District is based upon criteria set forth by GASB Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement 61, the District is a blended component unit of the City of Syracuse, New York (the City).

The accompanying financial statements present the activities of the District including the Extraclassroom Activity Funds (the ECA Funds).

The ECA Funds are independent of the District with respect to financial transactions and the designation of student management, however, the Board of Education exercises general oversight of these funds. The District accounts for the ECA Funds in the Agency Fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the District's business office.

*Joint Schools Construction Board Blended Component Unit (JSCB)*

Under GASB Statement 61, JSCB is a blended component unit of the District based on the criteria that JSCB provides services almost exclusively to the District. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, City Hall, Syracuse, New York 13202. JSCB has a fiscal year which ends June 30.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basis of Presentation

#### *Government-wide Financial Statements:*

The Statement of Net Position and the Statement of Activities and Changes in Net Position present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities and Changes in Net Position presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### *Fund Financial Statements:*

The fund financial statements provide information about the District's funds and blended component unit, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds and blended component unit:

#### **General Fund**

This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

#### **Special Aid Fund**

This fund accounts for the proceeds of specific revenue sources, such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.

#### **Joint Schools Construction Board (JSCB) Blended Component Unit**

The JSCB is a joint venture between the District and the City. This blended component unit is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable State and Local laws.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basis of Presentation (Continued)

The District reports the following governmental funds as non-major governmental funds:

#### **School Food Service Fund**

This fund accounts for the financial transactions related to the food service operations of the District.

#### **Capital Projects Fund**

This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes.

#### **Debt Service Fund**

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term debt of governmental activities. Financing is provided by transfers from the General Fund and the Capital Projects Fund.

#### **Permanent Fund**

This fund is used to account for trust arrangements in which the District is the beneficiary of the earnings on the principal.

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the District, and are not available to be used. The District reports the following fiduciary funds:

#### **Private Purpose Trusts Fund**

This fund is used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs.

#### **Agency Fund**

This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or ECA Funds and for payroll or employee withholding.

### C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after the end of the fiscal year.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Revenue, Expenditures and Expenses**

**Property Taxes**

Real property taxes are levied annually by the Council. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City.

**Intergovernmental Revenues - Grants**

Revenues and expenditures from Federal and State grants are typically recorded in the general and special revenue funds. The District follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

**Program Revenues**

Program revenues include charges for services, and operating/capital grants and contributions that directly relate to a function such as general support, instruction, etc.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Current (further classified by function)

Debt Service  
Cost of Sales  
Capital Outlay

**Indirect Expenses**

Indirect expenses are allocated based upon a percentage of governmental fund expenditures by function.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Revenue, Expenditures and Expenses (Continued)**

**Interfund Transfers and Interfund Receivables and Payables**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits, cash held by the City, cash held by fiscal agents, and short-term investments with original maturities of three months or less from date of acquisition.

JSCB's cash and cash equivalents consist of restricted cash held for project expenditures/expenses and debt service payments, and the proceeds from bond sales can only be used for the stated purpose of the borrowing. All funds are held in trust in accordance with an indenture trust agreement.

New York State (the State) law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit at commercial banks not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **E. Cash and Cash Equivalents (Continued)**

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the District's name. The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2017.

The District was invested only in the above-mentioned obligations and, accordingly, was not exposed to any interest rate risk.

All cash and equivalents restricted by external sources are held by the City for the benefit of the District and are reflected on the books and records of the City.

### **F. Restricted Assets**

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds from bond sales can only be used for the stated purpose of the borrowing. Donations to be used toward scholarships in the Private Purpose Trusts Fund and funds supporting ECA Funds in the Agency Fund are restricted specifically for those purposes.

### **G. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end but not yet received. Major receivable balances for the governmental activities include grants.

In the fund financial statements, receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within ninety days since they would be considered both measurable and available.

### **H. Inventory and Prepaid Items**

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded at cost on an average cost basis.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets (Fixed Assets)**

Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment and vehicles as well as intangibles such as software, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years.

Capital assets are reported at actual cost or estimated historical costs if purchased or constructed. Donated assets are reported at estimated fair market value at the time received.

The District depreciates/amortizes capital assets using the straight-line method over the estimated useful life of the asset beginning in the first month after completion or acquisition of the asset. The range of estimated useful lives by type of asset is as follows:

| <u>Type of Asset</u>       | <u>Estimated Useful Lives</u> |
|----------------------------|-------------------------------|
| Land improvements          | 20 years                      |
| Buildings and improvements | 39 years                      |
| Furniture and equipment    | 6 -10 years                   |
| Vehicles                   | 3 - 9 years                   |
| Software                   | 5 -10 years                   |

**J. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has \$127,955,421 in deferred outflows of resources which is comprised of TRS and ERS Pension amounts and deferred losses on the early retirement of debt at June 30, 2017 as described in Note 5 and Note 7, respectively. The District has \$11,294,095 in deferred inflows of resources which is comprised of TRS and ERS Pension amounts at June 30, 2017 as described in Note 7.

**K. Compensated Absences**

Compensated absences consist of unpaid vested annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with governmental accounting standards, an accrual for vested sick leave and vacation time is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractual provisions.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, the General Fund reports only the compensated absence liability payable from expendable available financial resources. These amounts are expensed on a pay-as-you-go basis.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Other Benefits**

District employees participate in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS).

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. See Note 8 for further information. There are currently approximately 7,100 individuals receiving benefits under the plan.

**M. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, if any, are deposited in the Debt Service Fund or JSCB, a blended component unit, and used to retire debt in the respective fund or unit. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

**N. Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – reports net position when constraints are placed on the assets or deferred outflows of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Restricted net position includes the following:

|   |    |                   |
|---|----|-------------------|
| Special Aid Fund                        | \$ | 435,042           |
| Joint Schools Construction Board (JSCB) |    | (3,154,448)       |
| School Food Service Fund                |    | 8,337,920         |
| Capital Projects                        |    | 5,518,433         |
| Debt Service                            |    | 536,351           |
| Permanent Fund                          |    | <u>16,995</u>     |
| Total restricted net position           | \$ | <u>11,690,293</u> |

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Equity Classifications (Continued)**

*Government-wide Statements (Continued)*

- c. Unrestricted net position - reports the balance of net position that does not meet the definition of restricted or net investment in capital assets and is deemed to be available for general use by the District.

*Fund Statements*

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: non-spendable, restricted, committed, assigned and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent. In the fund basis statements, there are five classifications of fund balance:

- a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of \$1,050,564 and the inventory in the School Food Service Fund of \$578,932.
- b. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The definition of restricted fund balance is the same as restricted net position.
- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2017.
- d. Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Chief Financial Officer has been authorized by the Board of Education to assign fund balance. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. As of June 30, 2017, the District's General Fund encumbrances amounted to \$2,022,478, classified as follows:

|                                 |                     |
|---------------------------------|---------------------|
| General Fund encumbrances:      |                     |
| General Support                 | \$ 703,563          |
| Instruction                     | 1,051,161           |
| Transportation                  | <u>267,754</u>      |
| Total General Fund encumbrances | <u>\$ 2,022,478</u> |

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The District appropriated \$8,900,000 of fund balance to be used to fund fiscal year 2017-2018 operating expenditures. The District also assigned \$3,200,000 to fund the estimated November 2019 JSCB debt service payment for Phase II Projects.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Equity Classifications (Continued)**

*Fund Statements (Continued)*

- e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the District. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

*Order of Use of Fund Balance*

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**O. Economic Dependency**

The District receives significant funding from the U.S. Department of Agriculture, the U.S. Department of Education and other Federal, State, and Local sources. Curtailment of such revenue would have a significant impact on the District's programs.

**P. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

## 2. BUDGETS AND BUDGETARY ACCOUNTING

### Budget Policies

- a. The District administration prepares a proposed budget for approval by the Board of Education and the City for the following governmental fund for which legal (appropriated) budgets are adopted: General Fund.
- b. A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year-end unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

An annual budget is not adopted for the Special Aid Fund. Budgetary controls are established in accordance with grant agreements.

## 3. INTERFUND TRANSACTIONS

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions during the year ended June 30, 2017 and balances at June 30, 2017:

| Fund                  | Interfund            |                      | Interfund            |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                       | Receivable           | Payable              | Revenues             | Expenditures         |
| General               | \$ 6,777,220         | \$ -                 | \$ 6,765,831         | \$ 12,750,175        |
| Special aid           | -                    | 15,761,240           | 3,954,765            | 2,149,636            |
| JSCB                  | -                    | 2,166,958            | -                    | 3,067,392            |
| School food service   | 8,210,503            | -                    | -                    | 1,548,803            |
| Capital projects      | 2,215,820            | -                    | 663,535              | 3,402                |
| Debt service          | 536,351              | -                    | 8,135,277            | -                    |
| Private purpose trust | -                    | 22,190               | -                    | -                    |
| Agency                | 210,494              | -                    | -                    | -                    |
| Total                 | <u>\$ 17,950,388</u> | <u>\$ 17,950,388</u> | <u>\$ 19,519,408</u> | <u>\$ 19,519,408</u> |

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017:

|   | Beginning<br>Balance at<br>June 30, 2016 | Prior period<br>adjustment | As restated<br>Balance at<br>June 30, 2016 | Additions/<br>Transfers | Disposals/<br>Transfers | Balance at<br>June 30, 2017 |
|---|--|----------------------------|--|-------------------------|-------------------------|-----------------------------|
| Land (not depreciable)                          | \$ 1,480,325                             | \$ -                       | \$ 1,480,325                               | \$ -                    | \$ -                    | \$ 1,480,325                |
| Land improvements                               | 3,981,647                                | -                          | 3,981,647                                  | -                       | -                       | 3,981,647                   |
| Buildings and improvements                      | 410,254,403                              | -                          | 410,254,403                                | 10,345,713              | -                       | 420,600,116                 |
| Furniture and equipment                         | 14,053,291                               | -                          | 14,053,291                                 | 811,521                 | (4,794,728)             | 10,070,084                  |
| Vehicles  | 4,992,092                                | -                          | 4,992,092                                  | 726,037                 | (682,655)               | 5,035,474                   |
| Software  | 6,700,080                                | -                          | 6,700,080                                  | 1,481,976               | (662,171)               | 7,519,885                   |
| Construction in progress<br>(not depreciable)   | <u>23,938,714</u>                        | <u>35,831,033</u>          | <u>59,769,747</u>                          | <u>6,901,610</u>        | <u>(6,641,326)</u>      | <u>60,030,031</u>           |
| Total capital assets                            | <u>465,400,552</u>                       | <u>35,831,033</u>          | <u>501,231,585</u>                         | <u>20,266,857</u>       | <u>(12,780,880)</u>     | <u>508,717,562</u>          |
| Less: Accumulated<br>depreciation/amortization: |  |                            |  |                         |                         |                             |
| Land improvements                               | (3,902,532)                              | -                          | (3,902,532)                                | (4,143)                 | -                       | (3,906,675)                 |
| Buildings and improvements                      | (192,512,249)                            | -                          | (192,512,249)                              | (11,714,861)            | -                       | (204,227,110)               |
| Furniture and equipment                         | (11,226,306)                             | -                          | (11,226,306)                               | (608,287)               | 4,794,728               | (7,039,865)                 |
| Vehicles  | (3,664,095)                              | -                          | (3,664,095)                                | (596,606)               | 682,655                 | (3,578,046)                 |
| Software  | <u>(4,287,718)</u>                       | <u>-</u>                   | <u>(4,287,718)</u>                         | <u>(910,380)</u>        | <u>662,171</u>          | <u>(4,535,927)</u>          |
| Total accumulated depreciation/<br>amortization | <u>(215,592,900)</u>                     | <u>-</u>                   | <u>(215,592,900)</u>                       | <u>(13,834,277)</u>     | <u>6,139,554</u>        | <u>(223,287,623)</u>        |
| Capital assets, net                             | <u>\$ 249,807,652</u>                    | <u>\$ 35,831,033</u>       | <u>\$ 285,638,685</u>                      | <u>\$ 6,432,580</u>     | <u>\$ (6,641,326)</u>   | <u>\$ 285,429,939</u>       |

All capital assets including intangibles, with the exception of land and construction in progress, are being depreciated/amortized over their estimated useful lives.

Depreciation/amortization expense was charged as follows:

|   |                     |
|---|---------------------|
| Instruction                             | \$ 7,591,851        |
| Support service:                        |                     |
| General                                 | 1,331,538           |
| Pupil transportation                    | 494,742             |
| School food service                     | <u>50,803</u>       |
| Total depreciation/amortization expense | <u>\$ 9,468,934</u> |

## 5. CAPITAL INDEBTEDNESS

The District borrows money in order to meet current operating requirements and to acquire or construct buildings and improvements. For acquisition or construction of buildings and improvements this enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers and others for liquidation of both current and long-term liabilities.

Long-term liability activity for the year ended June 30, 2017:

|   | Balance at<br>July 1, 2016 | Additions             | Reductions            | Balance at<br>June 30, 2017 | Amount due<br>in one year | Due in<br>more than<br>one year |
|---|----------------------------|-----------------------|-----------------------|-----------------------------|---------------------------|---------------------------------|
| Bonds payable.                              |                            |                       |                       |                             |                           |                                 |
| Bonds payable                               | \$ 143,556,406             | \$ 32,760,000         | \$ 45,545,660         | \$ 130,770,746              | \$ 11,230,185             | \$ 119,540,561                  |
| Premiums on bonds payable                   | <u>5,457,080</u>           | <u>5,030,922</u>      | <u>1,950,352</u>      | <u>8,537,650</u>            | <u>842,299</u>            | <u>7,695,351</u>                |
| Total bonds payable                         | <u>149,013,486</u>         | <u>37,790,922</u>     | <u>47,496,012</u>     | <u>139,308,396</u>          | <u>12,072,484</u>         | <u>127,235,912</u>              |
| Other liabilities:                          |                            |                       |                       |                             |                           |                                 |
| Compensated absences payable                | 4,618,337                  | 11,378,417            | 9,944,036             | 6,052,718                   | 6,052,718                 | -                               |
| Other postemployment benefits               | 462,086,271                | 42,787,319            | 18,540,724            | 486,332,866                 | -                         | 486,332,866                     |
| Due to retirement systems                   | 26,356,978                 | 23,981,145            | 26,291,355            | 24,046,768                  | 24,046,768                | -                               |
| Self-insurance health plan claims           | 1,394,402                  | 54,172,537            | 55,235,783            | 331,156                     | 331,156                   | -                               |
| Self-insurance workers' compensation claims | 38,104,417                 | 4,094,799             | 5,305,341             | 36,893,875                  | 5,136,795                 | 31,757,080                      |
| Net pension liability                       | 21,238,050                 | 3,883,721             | -                     | 25,121,771                  | -                         | 25,121,771                      |
| Lottery aid payable                         | <u>20,066,667</u>          | <u>-</u>              | <u>1,016,667</u>      | <u>19,050,000</u>           | <u>1,016,667</u>          | <u>18,033,333</u>               |
| Total other liabilities                     | <u>573,865,122</u>         | <u>140,297,938</u>    | <u>116,333,906</u>    | <u>597,829,154</u>          | <u>36,584,104</u>         | <u>561,245,050</u>              |
| Long-term liabilities                       | <u>\$ 722,878,608</u>      | <u>\$ 178,088,860</u> | <u>\$ 163,829,918</u> | <u>\$ 737,137,550</u>       | <u>\$ 48,656,588</u>      | <u>\$ 688,480,962</u>           |

Payments on bonds payable, with the exception of JSCB, that pertain to the District's governmental activities are made by the Debt Service Fund. Liabilities for compensated absences, retirement, self-insurance claims, environmental remediation and judgments and claims will be liquidated by the General Fund.

### Revenue and Bond Anticipation Notes Payable

The District and JSCB may issue revenue anticipation notes, bond anticipation notes and tax anticipation notes, in anticipation of the receipt of revenues. For governmental funds, these notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. Revenue anticipation and tax anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. Bond anticipation notes represent a liability that will be extinguished by the use of bond proceeds when bonds are issued.

**5. CAPITAL INDEBTEDNESS (Continued)**

**Revenue and Bond Anticipation Notes Payable (Continued)**

The District's short-term debt activity for the year ended June 30, 2017:

|                            | <u>Balance at<br/>July 1, 2016</u> | <u>Issued</u>        | <u>Redeemed</u>      | <u>Balance at<br/>June 30, 2017</u> |
|----------------------------|------------------------------------|----------------------|----------------------|-------------------------------------|
| Revenue anticipation notes | \$ <u>                  -</u>      | \$ <u>68,439,000</u> | \$ <u>68,439,000</u> | \$ <u>                  -</u>       |

The JSCB's short-term debt activity for the year ended June 30, 2017:

|                         | <u>Balance at<br/>July 1, 2016</u> | <u>Issued</u>        | <u>Redeemed</u>     | <u>Balance at<br/>June 30, 2017</u> |
|-------------------------|------------------------------------|----------------------|---------------------|-------------------------------------|
| Bond anticipation notes | \$ <u>7,905,000</u>                | \$ <u>31,800,000</u> | \$ <u>9,905,000</u> | \$ <u>29,800,000</u>                |

**Bonds Payable**

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the District. Bonds outstanding at June 30, 2017 consisted of the following:

| <u>Date of Issuance</u> | <u>Maturity<br/>Date</u> | <u>Interest<br/>Rate</u> | <u>Balance<br/>June 30, 2017</u> |
|-------------------------|--------------------------|--------------------------|----------------------------------|
| May 15, 2014            | 2019                     | 2.000 - 5.000            | \$1,095,000                      |
| July 28, 2005           | 2019                     | 2.625 - 5.000            | 32,665                           |
| September 30, 2010      | 2019                     | 2.000 - 4.000            | 3,015,000                        |
| July 28, 2005           | 2021                     | 3.000 - 5.000            | 3,515,000                        |
| June 3, 2009            | 2022                     | 4.000 - 5.000            | 236,676                          |
| September 30, 2010      | 2022                     | 2.000 - 4.000            | 4,655,000                        |
| June 13, 2012           | 2022                     | 2.000 - 5.000            | 478,000                          |
| June 15, 2010           | 2023                     | 2.500 - 5.000            | 278,405                          |
| June 15, 2008           | 2024                     | 3.250 - 5.000            | 7,200,000                        |
| May 15, 2014            | 2025                     | 2.000 - 5.000            | 5,850,000                        |
| May 28, 2015            | 2027                     | 4.000 - 5.000            | 6,255,000                        |
| December 23, 2010       | 2027                     | 3.000 - 6.000            | 23,195,000                       |
| July 12, 2011           | 2027                     | 5.428                    | 15,000,000                       |
| July 12, 2011           | 2028                     | 3.000 - 5.000            | 20,730,000                       |
| June 1, 2007            | 2030                     | 4.000 - 5.000            | 6,475,000                        |
| April 20, 2017          | 2030                     | 3.000 - 5.000            | 29,260,000                       |
| June 23, 2017           | 2032                     | 3.000 - 5.000            | <u>3,500,000</u>                 |
| Totals                  |                          |                          | <u>\$ 130,770,746</u>            |



**5. CAPITAL INDEBTEDNESS (Continued)**

**Bonds Payable (Continued)**

On April 20, 2017, the District issued \$29,260,000 in SIDA revenue bonds with an average coupon rate of 4.68% to advance refund \$32,365,000 of outstanding JSCB Series 2008A SIDA bonds with interest rates of 4.00% - 5.25%. The net proceeds of \$33,483,998 (including a premium of \$4,663,314 and \$439,316 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the District's financial statements. This refunding decreases total debt service payments over the next 14 years by \$3,441,725 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$3,346,000.

Bonds payable as of June 30, 2017 are as follows:

| <u>Years Ending June 30:</u> | <u>Principal</u>      | <u>Interest</u>      | <u>Total</u>          |
|------------------------------|-----------------------|----------------------|-----------------------|
| 2018                         | \$ 11,230,185         | \$ 6,018,773         | \$ 17,248,958         |
| 2019                         | 13,728,863            | 5,506,250            | 19,235,113            |
| 2020                         | 12,885,715            | 4,927,683            | 17,813,398            |
| 2021                         | 13,428,191            | 4,338,703            | 17,766,894            |
| 2022                         | 13,006,860            | 3,767,488            | 16,774,348            |
| 2023 – 2027                  | 58,730,932            | 11,239,986           | 69,970,918            |
| 2028 – 2032                  | <u>7,760,000</u>      | <u>480,331</u>       | <u>8,240,331</u>      |
| Totals                       | <u>\$ 130,770,746</u> | <u>\$ 36,279,214</u> | <u>\$ 167,049,960</u> |

Interest and related expenses on all debt for the year was composed of:

|  |                     |
|--|---------------------|
| Interest paid - capital indebtedness     | \$ 7,267,335        |
| Less: Interest accrued in the prior year | (1,243,966)         |
| Amortization of bond premiums            | (842,299)           |
| Plus: Deferred loss on refunding         | 342,619             |
| Interest accrued in the current year     | <u>1,059,765</u>    |
| Total expense                            | <u>\$ 6,583,454</u> |

**6. OPERATING LEASE COMMITMENTS AND LEASED ASSETS**

The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2017 were approximately \$920,000. The minimum future non-cancelable operating lease payments as of June 30, 2017 are as follows:

|            |                     |
|------------|---------------------|
|            | \$ 847,977          |
| 2019       | 608,351             |
| 2020       | 304,772             |
| 2021       | 270,837             |
| Thereafter | <u>130,923</u>      |
| Total      | <u>\$ 2,162,860</u> |

## 7. PENSION PLANS

### New York State and Local Employees' Retirement System (ERS)

The District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (NYSERS or the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### **Contributions**

NYSERS is noncontributory except for employees who joined the NYSERS after July 27<sup>th</sup>, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during NYSERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

|      | <u>NYSERS</u> |
|------|---------------|
| 2017 | \$ 5,408,869  |
| 2016 | \$ 5,655,864  |
| 2015 | \$ 5,816,753  |

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the NYSERS' fiscal years ending March 31, 2005 through 2008.

## 7. PENSION PLANS (Continued)

### New York State and Local Employees' Retirement System (ERS) (Continued)

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the District's retirement bill was amortized or bonded as of June 30, 2017.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a net pension liability of \$12,934,726 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2017, the District's proportion was 0.1376588% percent.

7. **PENSION PLANS (Continued)**

New York State and Local Employees' Retirement System (ERS) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2017, the District recognized pension expense of \$7,328,207. At June 30, 2017, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 324,132                        | \$ 1,964,211                     |
| Changes in assumptions  | 4,418,976                         | -                                |
| Net difference between projected and actual earnings on pension plan investments                                    | 2,583,589                         | -                                |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 217,816                           | 290,262                          |
| Contributions subsequent to the measurement date  | 1,412,490                         | -                                |
| <b>Total</b>  | <b>\$ 8,957,003</b>               | <b>\$ 2,254,473</b>              |

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|      |                     |
|------|---------------------|
| 2018 | \$ 2,374,476        |
| 2019 | 2,374,476           |
| 2020 | 2,240,060           |
| 2021 | <u>(1,698,972)</u>  |
|      | <u>\$ 5,290,040</u> |

**Actuarial Assumptions**

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017.

The actuarial valuation used the following actuarial assumptions:

|                           |   |
|---------------------------|---|
| Actuarial cost method     | Entry age normal  |
| Inflation                 | 2.50%   |
| Salary scale              | 3.8 percent indexed by service  |
| Projected COLAs           | 1.3% compounded annually  |
| Decrement                 | Developed from the Plan's 2015 experience period April 1, 2010 through March 31, 2015 study of the Society of Actuaries Scale MP-2014 |
| Mortality improvement     | Society of Actuaries Scale MP-2014  |
| Investment rate of return | 7.0% compounded annually, net of investment expenses  |

**7. PENSION PLANS (Continued)**

New York State Local Employees' Retirement System (ERS) (Continued)

**Actuarial Assumptions (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

**Long Term Expected Rate of Return**

| <u>Asset Type</u>       | <u>Target<br/>Allocations<br/>in %</u> | <u>Long-Term<br/>expected real<br/>rate of return in %</u> |
|-------------------------|--|--|
| Domestic Equity         | 36.0                                   | 4.55   |
| International Equity    | 14.0                                   | 6.35   |
| Private Equity          | 10.0                                   | 7.75   |
| Real Estate             | 10.0                                   | 5.80   |
| Absolute Return         | 2.0                                    | 4.00   |
| Opportunistic Portfolio | 3.0                                    | 5.89   |
| Real Assets             | 3.0                                    | 5.54   |
| Bonds & Mortgages       | 17.0                                   | 1.31   |
| Cash                    | 1.0                                    | (0.25)   |
| Inflation-Indexed Bonds | <u>4.0</u>                             | 1.50   |
|                         | <u>100%</u>                            |  |

**Discount Rate**

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

|  | 1%<br>Decrease<br><u>6.00%</u> | Current<br>Discount<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 41,310,952                  | \$ 12,934,726                       | \$ (11,057,320)                |

**7. PENSION PLANS (Continued)**

New York State and Local Employees' Retirement System (ERS) (Continued)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows:

|   | Pension Plan's<br>Fiduciary Net Position | District's proportionate<br>share of Plan's<br>Fiduciary Net Position | District's<br>allocation<br>percentage as<br>determined by<br>the Plan |
|---|--|---|--|
| Total pension liability   | \$ 177,400,586,000                       | \$ 244,207,518  | 0.1376588%   |
| Net position  | (168,004,363,000)                        | (231,272,790)   | 0.1376588%   |
| Net pension liability (asset)                                     | <u>\$ 9,396,223,000</u>                  | <u>\$ 12,934,728</u>  | 0.1376588%   |
| Fiduciary net position as a percentage of total pension liability |  | 94.7%   | 94.7%  |

New York State Teachers' Retirement System (NYSTRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for NYSTRS. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

**Contributions**

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Contributions (Continued)**

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

|      | <u>NYSTRS</u> |
|------|---------------|
| 2017 | \$ 25,031,917 |
| 2016 | \$ 29,174,990 |
| 2015 | \$ 27,027,205 |

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a net pension liability of \$12,187,045 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2017 the District's proportionate share was 1.137868%, which was a decrease from the 1.051631% proportionate share measured at June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$19,423,533. At June 30, 2017 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ -                                      | \$ 3,959,036                             |
| Changes in assumptions  | 69,425,168                                | -  |
| Net difference between projected and actual earnings on pension plan investments                                    | 27,402,886                                | -  |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 563,021                                   | 5,080,586                                |
| Contributions subsequent to the measurement date  | 20,788,074                                | -  |
| <b>Total</b>  | <b>\$ 118,179,149</b>                     | <b>\$ 9,039,622</b>                      |

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The District recognized \$118,179,149 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date that are recognized as a reduction to the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending:

|            |                      |
|------------|----------------------|
| 2017       | \$ 7,732,665         |
| 2018       | 7,732,665            |
| 2019       | 29,014,503           |
| 2020       | 22,393,104           |
| 2021       | 9,867,513            |
| Thereafter | <u>11,611,003</u>    |
|            | <u>\$ 88,351,453</u> |

**Actuarial Assumptions**

The total pension liability at the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. Total pension liability at the June 30, 2014 measurement date, was determined by an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. These actuarial valuations used the following actuarial assumptions:

|                            |  |
|----------------------------|--|
| Inflation                  | 2.50%  |
| Projected Salary Increases | Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience. |

| <u>Service</u> | <u>Rate</u> |
|----------------|-------------|
| 5              | 4.72%       |
| 15             | 3.46%       |
| 25             | 2.37%       |
| 35             | 1.90%       |

|                           |  |
|---------------------------|--|
| Projected COLAs           | 1.5% compounded annually   |
| Investment Rate of Return | 7.5% compounded annually, net of pension plan investment expense, including inflation. |

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on society of Actuaries Scale MP-2014.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.



**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Type</u>                | <u>Target Allocations in %</u> | <u>Long-term expected expected real rate of return in %</u> |
|----------------------------------|--------------------------------|---|
| Domestic Equity                  | 37.0                           | 6.1   |
| International Equity             | 18.0                           | 7.3   |
| Real Estate                      | 10.0                           | 5.4   |
| Alternative Investments          | 7.0                            | 9.2   |
| Domestic Fixed Income Securities | 17.0                           | 1.0   |
| Global Fixed Income Securities   | 2.0                            | 0.8   |
| Mortgages                        | 8.0                            | 3.1   |
| Short-term fixed income          | <u>1.0</u>                     | 0.1   |
|                                  | <u>100%</u>                    |   |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption**

The following presents the net pension liability (asset) of the District using the discount rate of 7.50 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

|  | 1%<br>Decrease<br><u>6.50%</u> | Current<br>Discount<br><u>7.50%</u> | 1%<br>Increase<br><u>8.50%</u> |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$159,007,704                  | \$ 12,187,045                       | \$(110,958,427)                |

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2017, were as follows:

|   | Pension Plan's<br>Fiduciary Net Position | District's proportionate<br>share of Plan's<br>Fiduciary Net Position | District's<br>allocation<br>percentage as<br>determined by<br>the Plan |
|---|--|---|--|
| Total pension liability   | \$ 108,577,184,039                       | \$ 1,235,465,032  | 1.1378680%   |
| Net position  | (107,506,142,099)                        | (1,223,277,992)   | 1.1378680%   |
| Net pension liability (asset)                                     | <u>\$ 1,071,041,940</u>                  | <u>\$ 12,187,041</u>  | 1.1378680%   |
| Fiduciary net position as a percentage of total pension liability | 99.01%                                   | 99.01%  |  |

**8. OTHER POSTEMPLOYMENT BENEFITS**

The District calculates and records a net other postemployment benefit obligation (OPEB) at year-end. The net other postemployment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contribution made. Prior to adoption, the District reported the cost of retiree benefits on a pay-as-you-go basis.

**Plan Description**

The District provides OPEB to its employees under a single-employer, self-insured, defined benefit healthcare plan administered by a third-party. The healthcare plan provides medical and prescription drug coverage to eligible retirees and their spouses.

Benefit provisions are established and amended through negotiations between the District and the respective unions.

Retiree benefits continue for the life of the retiree. The retiree's survivor(s) have the option to continue to receive health insurance coverage benefits by paying for the coverage at the District's full premium rate.

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Funding Policy

The contribution requirements of plan members and the District are established on an annual premium equivalent rate calculated by an actuarial firm based on an actuarial valuation of projected financing requirements.

For the year ended June 30, 2017, District contributions for retiree healthcare plan costs, net of retiree contributions of \$1.2 million, amounted to approximately \$18.5 million.

### Annual OPEB Cost

The District's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarial liabilities (UAAL) over a period of thirty years. The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2017, the amounts actually contributed to the plan, and changes in the District's net OPEB obligation:

|  |                       |
|--|-----------------------|
| Annual required contribution               | \$ 51,026,363         |
| Interest on net OPEB obligations           | 18,483,451            |
| Adjustment to annual required contribution | <u>(26,722,495)</u>   |
| Annual OPEB cost                           | 42,787,319            |
| Contributions made                         | <u>(18,540,724)</u>   |
| Increase in net OPEB obligation            | 24,246,595            |
| Net OPEB obligation - beginning of year    | <u>462,086,271</u>    |
| Net OPEB obligation - end of year          | <u>\$ 486,332,866</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years were as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB<br/>Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost<br/>Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|--------------------------|-----------------------------|---|--------------------------------|
| June 30, 2015            | \$ 80,461,994               | 31.06%  | \$ 444,412,719                 |
| June 30, 2016            | \$ 41,107,227               | 57.01%  | \$ 462,086,271                 |
| June 30, 2017            | \$ 42,787,319               | 43.33%  | \$ 486,332,866                 |

### Funded Status and Funding Progress

As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$603 million and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$228 million, and the ratio of the liability to the annual covered payroll was 264%.

## **8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

### **Funded Status and Funding Progress (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits at the time of each valuation and on the historical pattern of cost sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2017 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.00% investment rate of return, which is based on the portfolio of the District's general assets used to pay these benefits and an annual health care cost trend rate of 7.25% initially, decreasing to 3.89% after fifty eight years for Pre-65 individuals and 5.70% initially, decreasing to 3.89% for Post-65 individuals after fifty eight years. The prescription cost trend begins at 10.50% initially and decreases to 3.89% after fifty eight years. The Medicare Part B cost trend begins at 5.70% initially and decreases to 3.89% after fifty eight years. Both rates include a 2.25% inflation assumption. The UAAL is being amortized based on a level percentage of projected payroll on an open basis. The remaining amortization period as of June 30, 2017 was 30 years.

## **9. CONTINGENCIES AND COMMITMENTS**

The District may be subject to lawsuits in the ordinary conduct of its affairs. The District does not believe any outstanding items are likely to have a material, adverse effect on the financial statements at June 30, 2017.

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. The District is a principal recipient of property taxes levied by the City. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The District has a potential liability for employees who have not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2017

**9. CONTINGENCIES AND COMMITMENTS (Continued)**

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

**10. SELF-INSURANCE**

The District is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for all City Schools for losses in excess of \$100,000 per occurrence. Self-insured expenditures are expensed when paid. All future liabilities for employee health, dental, workers' compensation and judgments and claims are recorded as liabilities. Liabilities accrued include an estimate of pending claims and claims incurred but not reported.

The following represents changes in those aggregate liabilities for the year ended June 30, 2017:

|  | <u>Medical</u>     | <u>Workers'<br/>Compensation</u> |
|--|--------------------|----------------------------------|
| July 1, 2016   | \$ 1,394,402       | \$ 38,104,417                    |
| Claims in current year, net of payments for all claims | <u>(1,063,246)</u> | <u>(1,210,542)</u>               |
| June 30, 2017  | <u>\$ 331,156</u>  | <u>\$ 36,893,875</u>             |

The District believes the provisions, as described in Note 5, are adequate to cover the liability for claims based upon current available information but these estimates may be more or less than the amount ultimately paid when claims are settled.

**11. FUTURE CHANGES IN ACCOUNTING STANDARDS**

In June 2015, the GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The District is required to adopt the provisions of these Statements for the year ending June 30, 2018, with early adoption encouraged.

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, Financial Reporting for Pension Plans, No. 6, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments for Certain Provisions of GASB Statements 67 and 68*. The Statement addresses issues related to the presentation of payroll related measures in required supplementary information, selection of assumptions and the treatment of deviations and classification of payments made by employers to meet employee contribution requirements. The Statement takes effect for reporting periods beginning after June 15, 2016 except for the selection of assumptions in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end in which the effective date is on or after June 15, 2017. Earlier adoption is encouraged.

## **11. FUTURE CHANGES IN ACCOUNTING STANDARDS (Continued)**

In June 2017, GASB issued Statement No. 87, Leases. The Statement requires recognition of certain lease assets and liabilities for leases previously classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset. The requirements of the Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

## **12. SUBSEQUENT EVENTS**

On September 27, 2017, the JSCB Board and the District Board approved initial Phase II projects not to exceed \$82,000,000.

On October 5, 2017, the District issued \$51,805,000 in Revenue Anticipation Notes at 2.25% maturing on June 30, 2018 to cover an expected cash flow shortage due to the timing of cash receipts from all sources. The request was approved by the City of Syracuse, New York Common Council in August 21, 2017.

## **13. PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2017, the District determined that financial reporting errors were made relating to the carrying value of capital assets and capitalized interest on the statement of net position. In accordance with Generally Accepted Accounting Principles, corrections of financial reporting errors are made as an adjustment to the opening fund balance for the year in which the errors are identified. Accordingly, the District made a prior period adjustment to increase the carrying value of the District's capital assets and net position at July 1, 2016 in the amount \$35,831,033 on the government-wide financial statements.

During the year ended June 30, 2017, the District determined that financial reporting for debt payments and interest in prior years would be corrected. In accordance with Generally Accepted Accounting Principles, corrections of financial reporting errors are made as an adjustment to the opening fund balance for the year in which the correction is identified. Accordingly, the District made a prior period adjustment to decrease the carrying value of the JSCB's fund financial statements and increase the General Fund's fund financial statements at July 1, 2016 in the amount \$1,596,046.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES-  
BUDGET AND ACTUAL-GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | General Fund           |                        |                     |                                     |  |   |
|---|------------------------|------------------------|---------------------|-------------------------------------|--|---|
|   | Budgeted Amounts       |                        |                     | Add<br>Current Year<br>Encumbrances | Total Current<br>Year Expenditures<br>and Encumbrances | Budget Variance<br>Favorable<br>(Unfavorable) |
|   | Original               | Final                  | Actual              |                                     |  |   |
| <b>REVENUES</b>   |                        |                        |                     |                                     |  |   |
| General property taxes  | \$ 58,504,077          | \$ 58,504,077          | \$ 58,556,586       | \$ -                                | \$ 58,556,586  | \$ 52,509                                     |
| Nonproperty taxes   | 920,000                | 920,000                | 654,940             | -                                   | 654,940  | (265,060)                                     |
| Charges for services  | 150,000                | 150,000                | 184,829             | -                                   | 184,829  | 34,829  |
| Use of money and property   | 261,000                | 261,000                | 262,761             | -                                   | 262,761  | 1,761   |
| Sale of property and compensation for loss  | 27,100                 | 27,100                 | 232,777             | -                                   | 232,777  | 205,677                                       |
| Miscellaneous   | 1,190,000              | 1,190,000              | 769,217             | -                                   | 769,217  | (420,783)                                     |
| State and local sources   | 328,095,496            | 328,095,496            | 327,268,491         | -                                   | 327,268,491  | (827,005)                                     |
| Federal sources   | 2,161,325              | 2,161,325              | 1,563,970           | -                                   | 1,563,970  | (597,355)                                     |
| Total revenues  | 391,308,998            | 391,308,998            | 389,493,571         | -                                   | 389,493,571  | (1,815,427)                                   |
| <b>OTHER SOURCES</b>  |                        |                        |                     |                                     |  |   |
| Operating transfers in  | 4,750,000              | 4,750,000              | 6,765,831           | -                                   | 6,765,831  | 2,015,831                                     |
| Total revenues and other sources  | 396,058,998            | 396,058,998            | 396,259,402         | -                                   | 396,259,402  | 200,404                                       |
| <b>EXPENDITURES AND ENCUMBRANCES</b>  |                        |                        |                     |                                     |  |   |
| General government support  | 62,443,273             | 62,443,273             | 55,255,037          | 703,563                             | 55,958,600   | 6,484,673                                     |
| Instruction   | 301,234,275            | 301,234,275            | 285,513,075         | 1,051,161                           | 286,564,236  | 14,670,039                                    |
| Pupil transportation  | 23,422,710             | 23,422,710             | 22,721,568          | 267,754                             | 22,989,322   | 433,388                                       |
| Pass-through New York State funding to JSCB   | 11,724,469             | 11,724,469             | 11,826,463          | -                                   | 11,826,463   | (101,994)                                     |
| Debt Service  | 360,000                | 360,000                | 826,290             | -                                   | 826,290  | (466,290)                                     |
| Total expenditures and encumbrances   | 399,184,727            | 399,184,727            | 376,142,433         | 2,022,478                           | 378,164,911  | 21,019,816                                    |
| <b>OTHER USES</b>   |                        |                        |                     |                                     |  |   |
| Operating transfers out   | 12,171,344             | 12,171,344             | 12,750,175          | -                                   | 12,750,175   | (578,831)                                     |
| Total expenditures and other uses   | 411,356,071            | 411,356,071            | 388,892,608         | 2,022,478                           | 390,915,086  | 20,440,985                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER<br/>EXPENDITURES, ENCUMBRANCES AND OTHER USES</b> | <b>\$ (15,297,073)</b> | <b>\$ (15,297,073)</b> | <b>\$ 7,366,794</b> | <b>\$ (2,022,478)</b>               | <b>\$ 5,344,316</b>                                    | <b>\$ 20,641,389</b>                          |



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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| <u>Fiscal Year</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL) Entry Age</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|--------------------|---------------------------------|----------------------------------|--|----------------------------|---------------------|------------------------|--|
| 6/30/2015          | 7/1/2013                        | -                                | \$ 1,180,618,192                                   | \$ 1,180,618,192           | 0.00%               | \$ 203,183,860         | 581.06%  |
| 6/30/2016          | 7/1/2015                        | -                                | \$ 552,793,454                                     | \$ 552,793,454             | 0.00%               | \$ 226,984,926         | 243.54%  |
| 6/30/2017          | 7/1/2015                        | -                                | \$ 602,635,036                                     | \$ 602,635,036             | 0.00%               | \$ 228,301,311         | 263.96%  |

See the independent auditor's report

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |      |      |      |      |      |      |      |
|---|--|------------|------------|------|------|------|------|------|------|------|
|   | 2017   | 2016       | 2015       | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Proportion of the net pension liability (asset)   | 0.1376588%   | 0.1323220% | 0.1295850% |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)  | \$ 12,935  | \$ 21,238  | \$ 4,378   |      |      |      |      |      |      |      |
| Covered-employee payroll  | \$ 39,296  | \$ 37,080  | \$ 33,468  |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 32.92%   | 57.28%     | 13.08%     |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                          | 94.70%   | 90.68%     | 97.95%     |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

| NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN   | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |              |              |      |      |      |      |      |      |      |
|---|--|--------------|--------------|------|------|------|------|------|------|------|
|   | 2017   | 2016         | 2015         | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Proportion of the net pension liability (asset)   | 1.137868%  | 1.051631%    | 1.072093%    |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)  | \$ 12,187  | \$ (109,231) | \$ (119,425) |      |      |      |      |      |      |      |
| Covered-employee payroll  | \$ 175,373   | \$ 157,918   | \$ 158,365   |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 6.95%  | -69.17%      | -75.41%      |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                          | 99.01%   | 110.46%      | 111.48%      |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | 2017     | 2016     | 2015     | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |      |      |      |      |      |      |
|--|----------|----------|----------|--|------|------|------|------|------|------|
|  |          |          |          | 2014   | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| <b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>              |          |          |          |  |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 5,409 | \$ 5,656 | \$ 5,817 |  |      |      |      |      |      |      |
| Contributions in relation to the contractually required contribution | 5,409    | 5,656    | 5,817    |  |      |      |      |      |      |      |
| Contribution deficiency (excess)                                     | \$ -     | \$ -     | \$ -     |  |      |      |      |      |      |      |
| Covered-employee payroll   | \$39,296 | \$37,080 | \$33,468 |  |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll            | 13.76%   | 15.25%   | 17.38%   |  |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

|  | 2017       | 2016       | 2015       | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |      |      |      |      |      |      |
|--|------------|------------|------------|--|------|------|------|------|------|------|
|  |            |            |            | 2014   | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| <b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>               |            |            |            |  |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 23,283  | \$ 27,692  | \$ 25,734  |  |      |      |      |      |      |      |
| Contributions in relation to the contractually required contribution | 23,283     | 27,692     | 25,734     |  |      |      |      |      |      |      |
| Contribution deficiency (excess)                                     | \$ -       | \$ -       | \$ -       |  |      |      |      |      |      |      |
| Covered-employee payroll   | \$ 175,373 | \$ 157,918 | \$ 158,365 |  |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll            | 13.28%     | 17.54%     | 16.25%     |  |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**SUPPLEMENTARY INFORMATION**

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | School Food<br>Service | Capital<br>Projects | Debt<br>Service   | Permanent<br>Fund | Total Nonmajor<br>Governmental Funds |
|--|------------------------|---------------------|-------------------|-------------------|--------------------------------------|
| <b>ASSETS</b>  |                        |                     |                   |                   |                                      |
| Pooled restricted cash and cash equivalents held by City     | \$ -                   | \$ 3,398,975        | \$ -              | \$ -              | \$ 3,398,975                         |
| Pooled restricted cash and cash equivalents held by District | -                      | -                   | -                 | 16,995            | 16,995                               |
| Receivables:   |                        |                     |                   |                   |                                      |
| Due from other funds   | 8,210,503              | 2,215,820           | 536,351           | -                 | 10,962,674                           |
| State and Federal aid receivables                            | 1,118,911              | 119,378             | -                 | -                 | 1,238,289                            |
| Other  | 30,728                 | -                   | -                 | -                 | 30,728                               |
| Inventory  | <u>578,932</u>         | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>578,932</u>                       |
| Total assets   | <u>\$ 9,939,074</u>    | <u>\$ 5,734,173</u> | <u>\$ 536,351</u> | <u>\$ 16,995</u>  | <u>\$ 16,226,593</u>                 |
| <b>LIABILITIES</b>   |                        |                     |                   |                   |                                      |
| Accounts payable   | \$ 906,933             | \$ 215,740          | \$ -              | \$ -              | \$ 1,122,673                         |
| Accrued payroll  | 112,459                | -                   | -                 | -                 | 112,459                              |
| Due to other governments                                     | <u>2,830</u>           | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>2,830</u>                         |
| Total liabilities  | <u>1,022,222</u>       | <u>215,740</u>      | <u>-</u>          | <u>-</u>          | <u>1,237,962</u>                     |
| <b>FUND BALANCE</b>  |                        |                     |                   |                   |                                      |
| Non-spendable  | 578,932                | -                   | -                 | -                 | 578,932                              |
| Restricted   | <u>8,337,920</u>       | <u>5,518,433</u>    | <u>536,351</u>    | <u>16,995</u>     | <u>14,409,699</u>                    |
| Total fund balances  | <u>8,916,852</u>       | <u>5,518,433</u>    | <u>536,351</u>    | <u>16,995</u>     | <u>14,988,631</u>                    |
| Total liabilities and fund balances                          | <u>\$ 9,939,074</u>    | <u>\$ 5,734,173</u> | <u>\$ 536,351</u> | <u>\$ 16,995</u>  | <u>\$ 16,226,593</u>                 |

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-NONMAJOR GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | School Food<br>Service | Capital<br>Projects | Debt<br>Service  | Permanent<br>Fund | Total Nonmajor<br>Governmental Funds |
|--|------------------------|---------------------|------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                        |                     |                  |                   |                                      |
| Use of money and property                            | \$ 26                  | \$ -                | \$ 116           | \$ 12             | \$ 154                               |
| State and local sources                              | 372,178                | 1,255,572           | -                | -                 | 1,627,750                            |
| Federal sources                                      | 13,716,558             | -                   | -                | -                 | 13,716,558                           |
| Surplus food   | 853,574                | -                   | -                | -                 | 853,574                              |
| Sales - School Food Service Program                  | 273,972                | -                   | -                | -                 | 273,972                              |
| <b>Total revenues</b>                                | <b>15,216,308</b>      | <b>1,255,572</b>    | <b>116</b>       | <b>12</b>         | <b>16,472,008</b>                    |
| <b>EXPENDITURES</b>                                  |                        |                     |                  |                   |                                      |
| General Support                                      | 7,221,308              | -                   | -                | -                 | 7,221,308                            |
| Principal  | -                      | -                   | 6,315,660        | -                 | 6,315,660                            |
| Interest   | -                      | -                   | 1,816,215        | -                 | 1,816,215                            |
| Cost of sales  | 6,055,108              | -                   | -                | -                 | 6,055,108                            |
| Capital outlay                                       | -                      | 1,707,407           | -                | -                 | 1,707,407                            |
| <b>Total expenditures</b>                            | <b>13,276,416</b>      | <b>1,707,407</b>    | <b>8,131,875</b> | <b>-</b>          | <b>23,115,698</b>                    |
| Excess (deficiency) of revenues<br>over expenditures | 1,939,892              | (451,835)           | (8,131,759)      | 12                | (6,643,690)                          |
| <b>OTHER FINANCING SOURCES AND USES</b>              |                        |                     |                  |                   |                                      |
| Proceeds from debt                                   | -                      | 3,500,000           | -                | -                 | 3,500,000                            |
| Premium on issuance of debt                          | -                      | -                   | 367,608          | -                 | 367,608                              |
| Operating transfers in                               | -                      | 663,535             | 8,135,277        | -                 | 8,798,812                            |
| Operating transfers out                              | (1,548,803)            | (3,402)             | -                | -                 | (1,552,205)                          |
| <b>Total other financing sources (uses)</b>          | <b>(1,548,803)</b>     | <b>4,160,133</b>    | <b>8,502,885</b> | <b>-</b>          | <b>11,114,215</b>                    |
| Net change in fund balances                          | 391,089                | 3,708,298           | 371,126          | 12                | 4,470,525                            |
| Fund balances - beginning of year                    | 8,525,763              | 1,810,135           | 165,225          | 16,983            | 10,518,106                           |
| Fund balances - end of year                          | \$ 8,916,852           | \$ 5,518,433        | \$ 536,351       | \$ 16,995         | \$ 14,988,631                        |

The accompanying notes are an integral part of these schedules

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
CAPITAL PROJECTS FUND SCHEDULE OF PROJECT EXPENDITURES (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017

| Project Title               | Expenditures to Date      |                          |                     |                     |                     |                     | Unexpended<br>(Overexpended)<br>Balance | Methods of Financing       |                     |                     |                     | Fund<br>Balance<br>June 30, 2017 |
|-----------------------------|---------------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|---|----------------------------|---------------------|---------------------|---------------------|----------------------------------|
|                             | Original<br>Appropriation | Revised<br>Appropriation | Prior<br>Years      | Current<br>Year     | Projects<br>Closed  | Total               |   | Proceeds of<br>Obligations | State Aid           | Local<br>Sources    | Total               |                                  |
| Building Condition Survey   | \$ 1,100,000              | \$ -                     | \$ 712,570          | \$ 182,158          | \$ 894,728          | \$ -                | \$ -                                    | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -                             |
| Greystone Building          | 36,000,000                | -                        | 5,746,598           | -                   | 5,746,598           | -                   | -                                       | -                          | -                   | -                   | -                   | -                                |
| Blodgett Renovations        | 36,000,000                | 36,000,000               | -                   | -                   | -                   | -                   | 36,000,000                              | -                          | -                   | 500,000             | 500,000             | 500,000                          |
| SSBA -SSIP1                 | 1,370,404                 | 1,370,404                | -                   | 1,255,573           | -                   | 1,255,573           | 114,831                                 | -                          | 1,255,573           | -                   | 1,255,573           | -                                |
| Henninger Field Renovations | 2,600,000                 | 2,600,000                | -                   | 93,289              | -                   | 93,289              | 2,506,711                               | 2,600,000                  | -                   | -                   | 2,600,000           | 2,506,711                        |
| All other various           | 1,850,000                 | 1,850,000                | -                   | 176,387             | -                   | 176,387             | 1,673,613                               | 900,000                    | -                   | 1,611,722           | 2,511,722           | 2,511,722                        |
| <b>TOTAL</b>                | <b>\$ 78,920,404</b>      | <b>\$ 41,820,404</b>     | <b>\$ 6,459,168</b> | <b>\$ 1,707,407</b> | <b>\$ 6,641,326</b> | <b>\$ 1,525,249</b> | <b>\$ 40,295,155</b>                    | <b>\$ 3,500,000</b>        | <b>\$ 1,255,573</b> | <b>\$ 2,111,722</b> | <b>\$ 6,867,295</b> | <b>\$ 5,518,433</b>              |

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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|   |                |                       |
|---|----------------|-----------------------|
| Capital assets, net                               |                | \$ 285,429,939        |
| Add:  |                |                       |
| Deferred loss on early retirement of debt         |                | 819,269               |
| Deduct:   |                |                       |
| Premium on bonds payable                          | 8,537,650      |                       |
| Short-term portion of bonds payable               | 11,230,185     |                       |
| Long-term portion of bonds payable                | 119,540,561    |                       |
| Less: unspent bond proceeds                       | (33,015,761)   |                       |
| Less: bond proceeds not related to capital assets | <u>(7,630)</u> | <u>(106,285,005)</u>  |
| Net investment in capital assets                  |                | \$ <u>179,964,203</u> |

See the accompanying independent auditor's report



**REQUIRED REPORTS UNDER UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 14, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and responses (2017-001) that we consider a significant deficiency.

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The School District's Response to Findings**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bonadio & Co., LLP*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

**Report on Compliance for Each Major Federal Program**

We have audited the City School District of Syracuse, New York's (the School District), a blended component unit of the City of Syracuse, New York, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2017. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Major Federal Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

(Continued)

**Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bonadio & Co., LLP*

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u> | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------|--|---------------------------------|
| <b>U.S. Department of Agriculture</b>                     |                        |  |                                 |
| Passed-through NYS Department of Education:               |                        |  |                                 |
| Child Nutrition Cluster:                                  |                        |  |                                 |
| Non-Cash Assistance (Food Distribution)                   |                        |  |                                 |
| National School Lunch Program                             | 10.555                 | N/A  | \$ 853,574                      |
| Cash Assistance   |                        |  |                                 |
| School Breakfast Program                                  | 10.553                 | N/A  | 3,912,977                       |
| National School Lunch Program                             | 10.555                 | N/A  | 7,977,402                       |
| After School Snack Program                                | 10.555                 | N/A  | 822,382                         |
| Total National School Lunch Program                       |                        |  | 8,799,784                       |
| Child and Adult Care Food Program                         | 10.558                 | N/A  | 141,787                         |
| Summer Food Service Program for Children                  | 10.559                 | N/A  | 480,687                         |
| Total Cash Assistance                                     |                        |  | 13,335,235                      |
| Total Child Nutrition Cluster                             |                        |  | 14,188,809                      |
| Fresh Fruit and Vegetable Program                         | 10 582                 | 0004170017                                   | 631,368                         |
| <b>Total U.S. Department of Agriculture</b>               |                        |  | <b>14,820,177</b>               |
| <b>U.S. Department of Labor</b>                           |                        |  |                                 |
| Passed-through Onondaga Community College.                |                        |  |                                 |
| Pathways to Careers                                       | 17.720                 |  | 17,825                          |
| <b>Total U.S. Department of Labor</b>                     |                        |  | <b>17,825</b>                   |
| <b>Environmental Protection Agency</b>                    |                        |  |                                 |
| Passed-through Onondaga Environmental Institute           |                        |  |                                 |
| Environmental Education Grants                            | 66 951                 |  | 1,763                           |
| <b>Total Environmental Protection Agency</b>              |                        |  | <b>1,763</b>                    |
| <b>U.S. Department of Education</b>                       |                        |  |                                 |
| Passed-through Onondaga Cortland Madison Counties BOCES   |                        |  |                                 |
| Adult Education - Basic Grants to States                  |                        |  |                                 |
| WIA - Title II Adult Basic                                | 84 002                 |  | 22,856                          |
| Passed-through NYS Department of Education                |                        |  |                                 |
| Adult Education - Basic Grants to States                  |                        |  |                                 |
| WIA-Title II Adult Basic                                  | 84 002                 | 2338172123                                   | 262,585                         |
| Total Adult Education - Basic Grants to States            |                        |  | 285,441                         |
| Title I, Grants to Local Educational Agencies             |                        |  |                                 |
| Title I, School Improvement Professional Development      | 84.010                 | 0011157031                                   | 33,353                          |
| Title I, School Improvement Professional Development      | 84.010                 | 0011177031                                   | 454,297                         |
| Title I, Part A   | 84.010                 | 0021162165                                   | 2,000,751                       |
| Title I, Part A   | 84.010                 | 0021172165                                   | 14,122,397                      |
| Title I, School Improvement                               | 84.010                 | 0011162006                                   | 47,857                          |
| Title I, School Improvement                               | 84.010                 | 0011172006                                   | 336,354                         |
| <b>Total Title I Grants to Local Educational Agencies</b> |                        |  | <b>16,995,009</b>               |

The accompanying notes to the schedule of federal awards are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017  
(Continued)**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u>                        | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|--|------------------------|--|---------------------------------|
| <b>U.S. Department of Education (Continued)</b>                                  |                        |  |                                 |
| Passed-through NYS Department of Education (Continued):                          |                        |  |                                 |
| Special Education Cluster:   |                        |  |                                 |
| Special Education - Grants to States   |                        |  |                                 |
| Section 611 PL194-145  | 84.027                 | 0032160656                                   | 10,348                          |
| Section 611 PL194-145  | 84.027                 | 0032170656                                   | 6,424,654                       |
| Section 611 PL194-145  | 84.027                 | 0032180656                                   | 6,100                           |
| SE SIS (formerly SETRC)  | 84.027                 | C012202                                      | 461,573                         |
| IDEA Program Development, Students with Disabilities                             | 84.027                 | 0031170015                                   | <u>227,935</u>                  |
| Total Special Education - Grants to States                                       |                        |  | <u>7,130,610</u>                |
| Special Education - Preschool Grants   |                        |  |                                 |
| Special Education - Preschool Grants   | 84.173                 | 0033160656                                   | 1,119                           |
| Special Education - Preschool Grants   | 84.173                 | 0033170656                                   | <u>293,180</u>                  |
| Total Special Education - Preschool Grants                                       |                        |  | <u>294,299</u>                  |
| Total Special Education Cluster  |                        |  | <u>7,424,909</u>                |
| Career and Technical Education - Basic Grants to States                          |                        |  |                                 |
| Pathways in Technology Early College High School                                 | 84.048                 | 8039170013                                   | 399,689                         |
| Perkins IV CTEIA   | 84.048                 | 8000170010                                   | <u>205,354</u>                  |
| Total Career and Technical Education - Basic Grants to States                    |                        |  | <u>605,043</u>                  |
| Education for Homeless Children and Youth  | 84.196                 | 0212173033                                   | <u>89,170</u>                   |
| Twenty-First Century Community Learning Centers                                  |                        |  |                                 |
| Twenty-First Century Community Learning Centers                                  | 84.287                 | 0187166118                                   | 296                             |
| Twenty-First Century Community Learning Centers                                  | 84.287                 | 0187176118                                   | <u>1,166,470</u>                |
| Total Twenty-First Century Community Learning Centers                            |                        |  | <u>1,166,766</u>                |
| English Language Acquisition Grants  |                        |  |                                 |
| Title III, Part A Immigration  | 84.365                 | 0149172165                                   | 101,215                         |
| Title III, Part A Students with Interrupted/Inconsistent Formal Education (SIFE) | 84.365                 | 0153172165                                   | 29,664                          |
| Title III, Part A Limited English Proficiency                                    | 84.365                 | 0293162165                                   | 45,279                          |
| Title III, Part A Limited English Proficiency                                    | 84.365                 | 0293172165                                   | <u>295,517</u>                  |
| Total English Language Acquisition Grants  |                        |  | <u>471,675</u>                  |
| Mathematics and Science Partnerships   |                        |  |                                 |
| Title II, B Math and Science   | 84.366                 | 0294160206                                   | 3,320                           |
| Title II, B Math and Science   | 84.366                 | 0294170206                                   | 537,509                         |
| Title II, B Math and Science   | 84.366                 | 0294170214                                   | <u>179,170</u>                  |
| Total Mathematics and Science Partnerships                                       |                        |  | <u>719,999</u>                  |
| Improving Teacher Quality State Grants   |                        |  |                                 |
| Title II, Part A   | 84.367                 | 0147162165                                   | 947,403                         |
| Title II, Part A   | 84.367                 | 0147172165                                   | <u>842,776</u>                  |
| Total Improving Teacher Quality State Grants                                     |                        |  | <u>1,790,179</u>                |
| School Improvement Grants:   |                        |  |                                 |
| School Improvement Grant   | 84.377                 | 0123167022                                   | 795                             |
| School Improvement Grant   | 84.377                 | 0123177022                                   | 914,041                         |

The accompanying notes to the schedule of federal awards are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017  
(Continued)**

| Federal Grantor/Pass-through Grantor/Program Title   | CFDA<br>Number | Agency or<br>Pass-through<br>Number | Federal<br>Expenditures     |
|--|----------------|-------------------------------------|-----------------------------|
| <b>U.S. Department of Education (Continued)</b>  |                |                                     |                             |
| Passed-through NYS Department of Education (Continued):                                    |                |                                     |                             |
| School Improvement Grants (Continued):   |                |                                     |                             |
| School Improvement Grant   | 84.377         | 0123176117                          | 331,909                     |
| School Improvement Grant   | 84.377         | 0123176119                          | 430,034                     |
| School Improvement Grant   | 84.377         | 0123164204                          | 64,263                      |
| School Improvement Grant   | 84.377         | 0123174204                          | 407,801                     |
| School Improvement Grant   | 84.377         | 0123177021                          | 764,148                     |
| School Improvement Grant   | 84.377         | 0123164108                          | 197,103                     |
| School Improvement Grant   | 84.377         | 0123174108                          | 456,614                     |
| School Improvement Grant   | 84.377         | 0123176116                          | 437,672                     |
| School Improvement Grant   | 84.377         | 0123164205                          | 106,327                     |
| School Improvement Grant   | 84.377         | 0123174205                          | 467,961                     |
| School Improvement Grant   | 84.377         | 0123176118                          | 500,000                     |
| School Improvement Grant   | 84.377         | 0123177623                          | 477,264                     |
| School Improvement Grant   | 84.377         | 0123177622                          | 417,844                     |
| School Improvement Grant   | 84.377         | 0123164201                          | 59,577                      |
| School Improvement Grant   | 84.377         | 0123174201                          | 479,954                     |
| School Improvement Grant   | 84.377         | 0123164203                          | 79,550                      |
| School Improvement Grant   | 84.377         | 0123174203                          | 496,076                     |
| School Improvement Grant   | 84.377         | 0123164202                          | 249,245                     |
| School Improvement Grant   | 84.377         | 0123174202                          | 492,596                     |
| School Improvement Grant   | 84.377         | 0123164107                          | 122,298                     |
| School Improvement Grant   | 84.377         | 0123174107                          | <u>451,518</u>              |
| Total School Improvement Grants  |                |                                     | <u>8,404,590</u>            |
| Direct:  |                |                                     |                             |
| Impact Aid   | 84.041         | N/A                                 | <u>97,422</u>               |
| Indian Education - Grants to Local Educational Agencies                                    | 84.060         | N/A                                 | <u>131,173</u>              |
| School Improvement Grants  | 84.377         | N/A                                 | <u>303,521</u>              |
| <b>Total U.S. Department of Education</b>  |                |                                     | <u>38,484,897</u>           |
| <b>U.S. Department of Health and Human Services</b>  |                |                                     |                             |
| Direct:  |                |                                     |                             |
| Substance Abuse and Mental Health Services: Projects of Regional and National Significance | 93.243         | N/A                                 | <u>431</u>                  |
| Passed-through NYS Department of Temporary and Disability Assistance:                      |                |                                     |                             |
| Refugee and Entrant Assistance - Targeted Assistance Grants                                | 93.584         | C00194GG                            | <u>440,476</u>              |
| <b>Total U.S. Department of Health and Human Services</b>                                  |                |                                     | <u>440,907</u>              |
| <b>Total Expenditures of Federal Awards</b>  |                |                                     | <b><u>\$ 53,765,569</u></b> |

The accompanying notes to the schedule of federal awards are an integral part of these statements



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**1. GENERAL**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the City School District of Syracuse, New York (the "District"), an entity as defined in the basic financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the government activities, each major fund and aggregate remaining for the School District.

**2. BASIS OF ACCOUNTING**

Expenditures reported in the Schedule are presented in conformity with accounting principles generally accepted in the United States and amounts presented are derived from the School District's general ledger. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

**3. INDIRECT AND MATCHING COSTS**

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the School District's share of certain program costs) are not included in the reported expenditures.

The School District did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**4. NON-MONETARY FEDERAL PROGRAM**

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program. During the year ended June 30, 2017, the School District received food commodities, the fair market value of which amounted to \$853,574 is presented in the accompanying Schedule of Expenditures of Federal Awards as National School Lunch Program (Division of Donated Foods, CFDA#10.555) and was considered in the School District's single audit.

**5. SUBRECIPIENTS**

There were no amounts provided to subrecipients during the year ended June 30, 2017.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2017**

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**Section I - Financial Statement Findings**

None reported in prior year.

**Section II - Federal Awards Findings and Questioned Costs**

**2016-001. School Food Service Fund Balance  
U.S. Department of Agriculture—Child Nutrition Cluster (CFDA 10.553, 10.555, 10.559)**

Criteria: In accordance with the Uniform Guidance and federal regulations 7 CFR Section 210.14(b), the School Food Service fund balance may not be in excess of three months average expenditure level.

Condition: The School District's School Food Service fund balance was in excess of three months average expenditure level for the year ended June 30, 2016.

Cause: There was a lack of formal training and understanding by the School District Management relating to the School Food Service fund balance regulation 7 CFR Section 210.14(b).

Effect: Non-compliance with reporting compliance requirement.

Recommendation: In July 2015, the School District submitted a plan to New York State Department of Education (NYSED) to spend down the excess fund balance primarily in upgrading the School Lunch Program's equipment used to prepare and deliver meals to students. This plan was approved by NYSED as proposed. Currently, the School District is in the process of finalizing the design and budget for the upgrade of its equipment under this plan. Once the plan is finalized, the School District will get formal approval from its Board of Education, and if required from NYSED. Once all approvals have been received the School District should follow the NYS procurement regulations in the implementation of the plan.

View of Responsible Officials and Planned Corrective Action: The School District submitted an excess fund balance plan to New York State which was approved in July, 2015. The School District is in the process of finalizing the detail design and budget of this plan, once completed, the School District will get all necessary approvals and follow NYS procurement regulations. In addition, the School District will work with its external auditors to ensure that the fund balance spend down plan meets the regulations set forth in 7 CFR Section 210.

Status: The School District has created plans for the proposed Central Kitchen Facility and has engaged a real estate broker to identify suitable properties for the development of the proposed Central Kitchen Facility.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Part I - Summary of Auditor's Results**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of independent auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Type of independent auditor's report issued on compliance for major programs Unmodified

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u>     |
|-----------------------|---|
| 84.010                | Title I, Grants to Local Educational Agencies |

Dollar threshold used to distinguish between Type A and Type B programs: \$1,612,967

Auditee qualified as low-risk auditee?  Yes  No

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Section II - Financial Statement Findings**

**Reference Number: 2017-001**

**Criteria:**

JSCB is required to report all transactions within JSCB's accounting system in the proper period and in accordance with generally accepted accounting principles.

**Condition/Cause:**

JSCB did not properly record accounting entries during the Phase I project in prior years related to debt payments, interest and acquisition of capital assets. JSCB's construction in progress activity contained an error that was not detected timely because there was no formal reconciliation process of total expenditures by project to the amount reported as construction in progress on the Statement of Net Position in prior years. In addition the payments made by the School District's General Fund for debt service payments, net of interest income, were not properly reported on the School District's government-wide and fund financial statements.

**Effect:**

The School District's government-wide statements were understated due to journal entries used to report the capital outlay expenditures and interest payments related to construction in progress being inadvertently omitted within the capital assets on the government-wide statement of net position. This resulted in an understatement of capital assets of \$35,831,033.

The JSCB and General Fund in the School District's fund financial statements were overstated and understated by \$1,596,046, respectively, due to debt service payments that were paid by the School District's General Fund not being reported in the JSCB Fund.

**Recommendation:**

In addition, we recommend that management of JSCB develop a detail subsidiary ledger of all construction costs from inception to the end of a project. Such schedule should be reconciled to the Statement of Net Position on an annual basis.

**Management's Response:**

The School District agrees with this recommendation. As noted, the accounting entries that led to this finding took place in the early years of the Phase I project. Since then, additional procedures have been implemented to ensure that all accounting transactions are being properly recorded, reconciled and reported. These steps include re-formatting of the School District and JSCB financial statements to include additional reconciliations and controls, and use of standard journal entry templates and review procedures for recording debt payments, interest and capital asset transactions. Going forward, JSCB will also prepare a fixed asset and construction in progress reconciliation schedule as part of regular financial reporting.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Section III - Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs that are required to be reported under *the Uniform Guidance*.

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## APPENDIX B

### SUMMARY OF DEFINITIONS

Act or IDA Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 641 of the 1979 Laws of New York, as amended.

Additional Bonds shall mean one or more series of bonds issued, executed, authenticated and delivered under the Indenture or a Series Indenture.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to a Series of Bonds, the applicable Arbitrage and Use of Proceeds Certificate of the School Parties relating to such Series of Bonds.

Authorized Representative shall have the meaning ascribed thereto in the Installment Sale Agreement.

Bank shall mean any: (i) bank or trust company organized under the laws of any state of the United States of America; (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 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.

Bankruptcy Code shall mean Title 11 of the United States Code, as it is amended from time to time.

Base Facilities Agreement Payment Certificate shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

Beneficial Ownership Interest shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of the Indenture.

Bond Resolution shall mean the resolution of the Agency adopted on January 16, 2018, authorizing the Series 2018A Project and the issuance of the Series 2018A Bonds.

Bonds shall mean the Series 2018A Bonds and any Additional Bonds.

Bond Service Charges shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

Bond Year shall have the meaning ascribed thereto in the Tax Certificate.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

Cede & Co. shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

City Engineer shall have the meaning ascribed thereto in the Installment Sale Agreement.

Closing Date shall mean the date of the original issuance and delivery of the Series 2018A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Collecting Officer shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Collection Percentage means, with respect to each month of a Collection Period, the ratio, expressed as a percentage, of the amount of State Aid to Education expected to be received during such month of such Collection Period to the total amount of State Aid to Education expected to be received during such Collection Period.

Collection Period means the four month period from and including December 1 of a Fiscal Year through and including March 31 of such Fiscal Year.

Commissioner of Finance shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Costs of Issuance shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter's spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter's counsel, Trustee's counsel, Agency's counsel, counsel to each of the School



Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant's fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

Defeasance Obligations shall mean only: (1) cash; (2) non-callable direct obligations of the United States of America ("*Treasuries*"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively; or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Depository Bank or Depository shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns in such capacity.

DTC shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011 and a Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, from the City and the SCSD to and for the benefit of the Issuer, as same may be further amended or supplemented from time to time.

Event of Default shall have the meaning specified in Section 8.1 of the Indenture.

Event of Nonappropriation shall have the meaning ascribed thereto in the Installment Sale Agreement.

Facilities Payment Obligations means, with respect to the Installment Sale Agreement, the Lease Payments, Installment Purchase Payments or other like payment obligations as so defined in the Installment Sale Agreement.

First Supplemental Indenture shall mean the Indenture of Trust (Series 2011 Project), dated as of July 1, 2011, between the Agency and the applicable Series Trustee, pursuant to which the Series 2011 Bonds were issued.

Fitch shall mean Fitch Ratings and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Trustee by notice to the Notice Parties.

Indenture shall mean the Indenture of Trust (Series 2018A Project), as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean those purchase payments payable by the SCSD pursuant to the Installment Sale Agreement, which term, for purposes of the State Aid Depository Agreement, shall constitute a “Bank Facilities Agreement Payment”.

Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Installment Sale Agreement dated as of March 1, 2009, as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as December, 2010; Amendment No. 3 to Installment Sale agreement (Series 2011 Project) dated as of July 1, 2011; Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017; and Amendment No. 5 to Installment Sale Agreement (Series 2018A Project) and, dated as of March 1, 2018, each among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Interest Payment Date shall mean, with respect to the Series 2018A Bonds, May 1 and November 1 of each year, commencing November 1, 2018, through and including the maturity date of the Series 2018A Bonds.

Issuer shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall succeed to the powers, duties, obligations and functions thereof.

JSCB shall mean the Syracuse Joint Schools Construction Board.

License Agreement or License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee, with respect to the Facilities, as previously amended by the Amendatory License Agreement dated as of December 1, 2010; a Second Amendatory License Agreement (Series 2011 Project) dated as of July 1, 2011; a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017; and a Fourth Amendatory License Agreement (Series 2018A Project) dated as of March 1, 2018, each between the City and the SCSD, as licensor and the Issuer, as licensee, as the same may be further amended or supplemented.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean Barclay Damon LLP or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Base Facilities Agreement Payment shall mean, with respect to the Installment Sale Agreement, the Net Base Installment Purchase Payments, Net Base Lease Payments or other net base payment obligations for principal and interest on the related Project Bonds (net of (y) any Scheduled Debt Service Reserve Fund Earnings to the extent that any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received under the related Series Indenture to satisfy any deficiency in the Debt Service Reserve Fund established for such Project Bonds, and (z) any amounts available in the Bond Fund established under the Series Indenture for such Project Bonds).

Notice Parties shall mean the Agency, the Bond Insurer, the School Parties, the Paying Agent and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 of the Indenture, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

*provided, however,* that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver pursuant to the Indenture, Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Pledge and Assignment shall mean the Pledge and Assignment dated as of March 1, 2018, by the Agency to the Trustee, acknowledged by the City, the SCSD and the JSCB.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Costs shall mean, together with any other proper item of cost not specifically mentioned herein but authorized pursuant to the IDA Act or the Syracuse Schools Act, the cost of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified herein as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Project Fund Sufficiency Certificate shall have the meaning ascribed thereto in Section 5.5(d) of the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(a) (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures which are unconditionally guaranteed as to payment of principal and interest by an agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

(c) Collateralized (but such collateralization, if any, shall only be to the extent required by, and acceptable to, the District as determined by the Comptroller of the City) Certificates of Deposit issued by a commercial bank or trust company authorized to do business in the State and Time Deposit, Demand Deposit, and Money Market Accounts in a bank or trust company authorized to do business in the State.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(e) Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.

(f) Money market funds rated “AAm” or “AAm-G” by S&P, or better.

(g) “State Obligations”, which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.

(h) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

- (1) the municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- (2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- (3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);
- (4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- (5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- (6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(i) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s, provided that:

- (1) The market value of the collateral and the type of the collateral are approved by the Comptroller of the City;
- (2) The Trustee or a third party acting solely as agent therefor or for the Agency (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- (3) The repurchase agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

- (4) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

(j) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

- (1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;
- (2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- (3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- (4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency and the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency and the Trustee;
- (5) the investment agreement shall provide that if during its term
  - (i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively (but not below "A-" or "A3", respectively), the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either
    - (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral (of the type and having a market value as approved by the Comptroller of the City) free and clear of any third-party liens or claims, provided, however, that the provider can only exercise its option under this clause (a) if the Trustee shall receive a Rating Confirmation with respect thereto; or
    - (b) repay the principal of and accrued but unpaid interest on the investment with no penalty or premium to the Agency or the Trustee, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(k) Any other investment, whether similar or dissimilar to any of the foregoing, to the extent that the Trustee (if so directed by the Comptroller of the City) shall receive a Rating Confirmation with respect thereto.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose



senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean Fitch, S&P or Moody's and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

Rating Category shall mean one of the generic rating categories of any of Fitch, Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Record Date shall mean, with respect to the Series 2018A Bonds, the fifteenth (15<sup>th</sup>) day of the month immediately preceding an Interest Payment Date.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunded Bonds shall mean, with respect to a Series of Refunding Bonds, the Bonds refunded by such Refunding Bonds pursuant to Section 2.7 of the Indenture.

Refunding Bonds shall mean one or more series of Refunding Bonds issued, executed, authenticated and delivered under the Indenture.

Related Security Documents shall mean all Security Documents other than the Indenture.

Representation Letter shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

Reserved Rights shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified “project” as defined in and as contemplated by the IDA Act and the Syracuse Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Article VII and Sections 2.3, 3.1, 3.2, 3.7, 3.9, 4.3, 4.5, 4.8, 5.2, 5.5, 8.1(b) – (f), 8.2, 8.3, 8.7, 9.1, 10.5, 10.6, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement;  
and

(g) the right of the Agency in its own behalf to enforce the Agency’s Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.

S&P shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Scheduled Debt Service Fund Earnings shall have the meaning ascribed thereto in the State Aid Depository Agreement.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Installment Sale Agreement, the Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Tax Compliance Documents.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series 2008 Facilities shall mean those facilities identified on Exhibit A to the Installment Sale Agreement.

Series 2010 Bonds shall mean the Issuer's \$31,470,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2010, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2011 Bonds shall mean the Issuer's \$31,860,000 School Facility Revenue Bonds (Tax-Exempt) (Syracuse City School District Project), Series 2011A and the Issuer's \$15,000,000 School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project), Series 2011B authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008A Bonds shall mean the Issuer's \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, authorized, issued, executed, authenticated and delivered under the Series 2008 Indenture.

Series 2018A Bonds shall mean the Issuer's \$67,120,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, authorized, issued, executed, authenticated and delivered under the Series 2018A Indenture.

Series 2017 Bonds shall mean the Agency's \$29,260,000 School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2017, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008 Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of March 1, 2008, between the Agency and the applicable Series Trustee, pursuant to which the Series 2008A Bonds were issued.

Series 2010 Indenture shall mean the Indenture of Trust (Series 2010 Project), dated as of December 1, 2010, between the Agency and the applicable Series Trustee, pursuant to which the Series 2010 Bonds were issued, as supplemented by the First Supplemental Indenture.

Series 2018A Indenture shall mean the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, between the Agency and the applicable Series Trustee, pursuant to which the Series 2018A Bonds were issued.

Series 2017 Indenture shall mean the Indenture of Trust (Series 2017 Project), dated as of April 1, 2017, between the Agency and the applicable Series Trustee, pursuant to which the Series 2017 Bonds were issued.

Series 2018A Project shall have the meaning ascribed to such term in the Installment Sale Agreement.

Series Trustee shall mean the Trustee under the 2018A Indenture, the Trustee under the Series 2010 Indenture, Trustee under the Series 2017 Indenture and the Trustee under the Series 2018A Indenture, each between Manufacturers and Traders Trust Company, as Trustee and the Agency; and each financial institution acting as Trustee under a Series or Supplemental Indenture.

Special Record Date shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of the Indenture.

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010, each among the SCSD, the Depository Bank and the City, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

State Aid to Education shall have the meaning ascribed thereto in the State Aid Depository Agreement.

State Comptroller shall mean the State Comptroller of the State of New York.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate of the Agency with respect to such Series of Bonds.

Tax Compliance Documents shall mean, with respect to a Series of Bonds, the Arbitrage and Use of Proceeds Certificate and Tax Certificate with respect to such Series of Bonds.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST**

*The following is a summary of certain provisions of the Indenture of Trust. This summary is qualified in its entirety by reference to the document itself.*

**Additional Bonds.** So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of: (i) financing Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing such additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a “project “ under the IDA Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture or a Series Indenture in connection therewith (except in the case of Refunding Bonds), the City, the SCSD and the Issuer shall enter into a lease or license agreement or amendment to the License, as applicable, to grant an interest in the Facility(ies) to the Issuer, and the Issuer and the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the Bonds including such Series of Additional Bonds. In addition, each of the School Parties and the Issuer shall enter into an amendment to the Tax Compliance Documents.

Each such Series of Additional Bonds shall be deposited with the Series Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture or a Series Indenture and any amendments of or supplements to the Tax Certificate, the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture or a Series Indenture and any amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture or a Series Indenture, the License, and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License and sold under the Installment Sale Agreement shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Series 2018A Bonds and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all

conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Arbitrage and Use of Proceeds Certificate and the Installment Sale Agreement continue in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) to the extent applicable, those documents required under the Installment Sale Agreement;

(6) an original, executed counterpart of the amendment, if any, to the Tax Compliance Documents; and

(7) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

Upon the request of the SCSD, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this heading of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with the Indenture.

Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by the second paragraph under this heading, as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to the Indenture to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Indenture, and any moneys required pursuant to the Indenture (with respect to all Outstanding Bonds or any part of

one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in the Indenture.

The City shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

Each Series of Additional Bonds issued pursuant to this heading shall be equally and ratably secured under the Indenture with the Series 2018A Bonds and all other Series of Additional Bonds, if any, issued pursuant to the provisions under this heading, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

Notwithstanding anything in the Indenture to the contrary, no Series of Additional Bonds shall be issued unless the State Aid Depository Agreement, the Tax Compliance Documents and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Creation of Funds and Accounts. The Issuer establishes and creates the following special trust Funds and Accounts comprising such Funds: (1) Project Fund; (2) Bond Fund with (a) Principal Account, (b) Interest Account, and (c) Redemption Account; and (3) Rebate Fund.

All of the Funds and Accounts created under the Indenture shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, shall be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of the Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien of the Indenture (except moneys deposited in the Rebate Fund).

The amounts deposited in the Funds and Accounts (except the Rebate Fund) created under the Indenture shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided in the Indenture, subject to the provisions of the Granting Clauses of the Indenture.

Project Fund. There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to the Indenture or otherwise required to be deposited therein pursuant to the Installment Sale Agreement. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in each Account of the Project Fund as set forth in Section 4.1 of the Indenture including to the payment, or reimbursement to the extent the same have been paid by or on behalf of the School Parties or the Issuer, of Project Costs.

The Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB.

The completion of the Series 2018A Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB in accordance with the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of the Bonds.

In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of Bonds.

All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be maintained within the Project Fund and made available for Project Costs.

Upon the occurrence and during the continuance of an Event of Default, the balance in the Account of the Project Fund established with respect to the Series 2018A Bonds, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund to be applied toward redemption of the Series 2018A Bonds.

Proceeds of insurance, condemnation awards or conveyance of one or more Facilities in lieu of condemnation deposited in the Project Fund pursuant to the Installment Sale Agreement shall be disbursed in accordance with the Indenture to pay costs of replacement, repair, rebuilding in or relocation of the affected Facility or to payment of Project Costs as shall otherwise be approved by Nationally Recognized Bond Counsel and permitted under the Syracuse Schools Act or after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments Into Rebate Fund; Application of Rebate Fund" below, transferred to the Bond Fund to be applied toward redemption of the applicable Series of Bonds.

Payments into Bond Fund. On or before November 10 of each Fiscal Year, commencing November 10, 2018, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository Bank, the Commissioner of Finance and the Collecting Officer in accordance with the State Aid Depository Agreement. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds from the Series 2018A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1 (a) of the Indenture. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Depository Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and



deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of principal of the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) The excess amounts referred to in the fourth sentence of Section 5.6(c) of the Indenture, which shall be credited to the Interest Account of the Bond Fund.

(g) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(h) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 of the Indenture), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the applicable Series of Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 of the Indenture shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the related Series of Bonds.

(i) All other receipts when and if required by the State Aid Depository Agreement, by the Installment Sale Agreement, by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 of the Indenture) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) of the Indenture.

In the event that any Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

State and/or School Aid Intercept. Pursuant to the Syracuse Schools Act, in the event the City or the SCSD shall fail (for any reason, including the failure of the State or appropriate legislative body of the City to appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, as set forth in the Indenture, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Issuer irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in Appendix "C" attached to the Indenture) and to any other Series Trustee, by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. In the event that the State Comptroller should receive more than one such certificate from one or more Series Trustee, the Comptroller shall disburse such amounts so withheld on a *pari passu* basis with respect to any and all outstanding Series of Bonds. All such state and/or school aid so received shall be applied, *first*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *second*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to satisfy any obligation of the SCSD under certain indemnification provisions of the Installment Sale Agreement, *fifth* to satisfy any obligation of the JSCB on the SCSD under the liability insurance provisions of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement.

For the avoidance of any doubt, if the Trustee is a party to the Intercept Procedures Agreement, the delivery of the certificate to the State Comptroller shall be governed by the terms of the Intercept Procedures Agreement, such agreement intended to maintain the equal and ratable treatment of the pledge of the intercept, for the benefit of the Bondholders, under the Indenture and any other Series Indenture, including but not limited to the Series 2008 Indenture (as that term is defined in the Installment Sale Agreement), as contemplated in the Indenture.

The appointment by the Issuer of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Issuer may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee accepts such agency and agrees so to act on behalf of the Issuer. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Issuer.

The Issuer covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept under the Syracuse Schools Act of state and/or school aid payable to the City or the SCSD than the pledge effected pursuant to the Indenture; provided,

however, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under the Indenture, or (z) if require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

Application of Bond Fund. The Trustee shall: (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds; and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than \$5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with the section under the heading "Defeasance" below) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in the section under the heading "Selection of Bonds to be Redeemed" below. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

In the event of the issuance of a Series of Refunding Bonds pursuant to the section under the heading "Additional Bonds" above, the Trustee shall, upon the written direction of the City, withdraw from the specified Accounts of the Bond Fund those amounts deposited in each such Account so specified held for the payment of the principal, Sinking Fund Installments, Redemption Price and interest on the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to the section under the heading "Defeasance" below, and (ii) the amount remaining in each Account of the Bond Fund after such withdrawal shall not be less than that

amount otherwise then required to be on deposit in each such Account to pay the principal, Sinking Fund Installments, Redemption Price and interest of those Series of Bonds or principal portions thereof not being refunded.

Investment of Funds and Accounts. Amounts in the Bond Fund, the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments. Any investment authorized by the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the City. Any investment under the Indenture shall be made in accordance with the Tax Compliance Documents, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable, subject however to Section 5.11 of the Indenture.

Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such Installment Purchase Payment and the amount then available in the Project Fund and in each Account of the Bond Fund.

Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with Section 5.7(c) of the Indenture. As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of “fair market value” shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by Section 5.7 of the Indenture shall at all times be subject to the provisions of applicable law, as amended from time to time.

Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien of the Indenture, but subject to the Granting Clauses thereof. Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund in accordance with the State Aid Depository Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien of the Indenture.

Repayment to the City For the Benefit of the SCSD from the Funds. After payment in full of the Bonds (in accordance with the defeasance provisions of the Indenture) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid under the Indenture and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to the Indenture and the Tax Compliance Documents, all amounts remaining in the Project Fund and the Bond Fund shall be paid to the City for the SCSD upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

Payments into Rebate Fund; Application of Rebate Fund. The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Documents, shall deposit in the Rebate Fund that amount from the Project Fund, as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Documents. In the case of the Project Fund, the City shall so direct the Trustee no less frequently than quarterly, until the Trustee shall receive the Project Fund Sufficiency Certificates as to all funded Accounts of the Project Fund and no less frequently than semi-annually thereafter.

In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined in accordance with the Tax Compliance Documents, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it: (i) to any Account of the Project Fund with respect to which no Project Fund Sufficiency Certificate shall yet have been delivered; or (ii) to the Interest Account of the Bond Fund, as the City shall determine.

The Trustee, upon receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Requirement with respect to such Series of Bonds as of the date of such payment and (ii) notwithstanding the provisions of the section under the heading "Defeasance" below, not later than thirty (30) days after the date on which all Bonds have been paid in full, 100% of the Rebate Requirement as of the date of payment.

The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

Selection of Bonds to Be Redeemed. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of a Series of Bonds in accordance with the Indenture, the Authorized Representative of the City shall select the Bonds to be redeemed only (x) in inverse order of maturity, or (y) proportionately to each Outstanding maturity of the Bonds of such Series. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for: (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption; and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

No Partial Redemption After Default. Anything in the Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default thereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption required with respect to excess bond proceeds or insurance or condemnation proceeds unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of such proceeds shall not have an adverse effect on the tax-exempt status of interest on the Bonds.

Payment of Principal and Interest. The Issuer covenants that it will from the sources contemplated by the Indenture promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in the Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and

obligations of the Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor. The Issuer shall not be required under the Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act, and the Syracuse Schools Act, to issue the Bonds authorized by the Indenture and to execute the Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Issuer according to the import thereof.

Creation of Liens; Indebtedness; Sale of Facilities. Except to the extent contemplated in the last paragraph under the heading "State and/or School Aid Intercept" above with respect to the issuance of Project Bonds under a Series Indenture other than the Indenture, the Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture, the Pledge and Assignment and the Installment Sale Agreement. The Issuer further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, sublease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under the Indenture and the Installment Sale Agreement, so long as any of the Bonds are Outstanding. The Issuer shall have no pecuniary liability for its covenants set forth in the Indenture, including those described under this heading.

Issuer Tax Covenant. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

Events of Default; No Acceleration of Due Date. Each of the following events shall constitute an "Event of Default":

- (1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in subparagraphs (1) and (2) above) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Issuer and the School Parties of written notice specifying the nature of such default from the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Issuer or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; and

(4) The occurrence of an "Event of Default" under Section 8.1(c) of the Installment Sale Agreement.

In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

Enforcement of Remedies. Subject to the last paragraph of the immediately preceding heading, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Syracuse Schools Act, the Bonds, the Installment Sale Agreement, the Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any other Security Document or in aid of the execution of any power granted in the Indenture or in any other Security Document or in the IDA Act or the Syracuse Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

In the enforcement of any right or remedy under the Indenture, under any other Security Document, under the IDA Act or under the Syracuse Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Redemption Price, or otherwise, under any of the provisions of the Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available



therefor to the extent provided in the Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Issuer or their creditors or property.

Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Security Document by any acts which may be unlawful or in violation of the Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of the Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Application of Revenues and Other Moneys After Default. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to the provisions of the Indenture relating to compensation of the Trustee, the Bond Registrar and the Paying Agents, as follows:

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

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this heading; *second*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Documents; *third*, to satisfy any obligation of the SCSD regarding indemnification of the Issuer and the Trustee; *fourth*, to satisfy any obligation of the JSCB and the SCSD regarding the maintenance of liability insurance; and *fifth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing outlined under this heading shall be deemed to modify the

application of state and/or school aid payable to City or the SCSD pursuant to the provisions outlined above under the heading "State and/or School Aid Intercept."

Whenever moneys are to be applied pursuant to the above provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Actions by Trustee. All rights of actions under the Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions outlined above under the heading "Application of Revenues and Other Moneys After Default," be for the equal benefit of the Holders of the Outstanding Bonds.

Majority Bondholders Control Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Individual Bondholder Action Restricted. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or of any other Security Document or the execution of any trust under the Indenture or for any remedy under the Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in the Indenture, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture or in such other Security Document or by the IDA Act or the Syracuse Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and, subject to the provisions described under the headings "Application of Revenues and Other Moneys After Default" and "Bond Insurer or Majority Bondholders Control Proceedings" above, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

Nothing in the Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner provided in the Indenture and in said Bonds expressed.

Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights under the Indenture, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or existing at law or in equity or by statute.

Delay or Omission. No delay or omission of the Trustee, of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee, the Bond Insurer and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

Notice of Default. The Trustee shall promptly mail to the Issuer, to registered Holders of Bonds and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required under this heading.

Waivers of Default. The Trustee shall waive any default under the Indenture and its consequences only upon the written request of the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial action under the Indenture or under any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts created or in the enforcement of any rights and powers under the Indenture, or under any other

Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or gross negligence.

Approvals or Consents by Trustee. The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in the Indenture, and all fees and expenses and other amounts due and payable under the Indenture and the Installment Sale Agreement and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Documents or the Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under the Indenture and the estate and rights thereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security under the Indenture, except as to moneys or securities held by the Trustee or the Paying Agents as provided below. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the SCSD or on its order all moneys or securities held by them pursuant to the Indenture which are not required: (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption; (ii) for the payment of all such other amounts due or to become due under the Security Documents; or (iii) for the payment of any amounts to the federal government under the Tax Compliance Documents or the Indenture.

Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in first paragraph under this heading, if: (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of the Indenture to the Trustee shall have been made for the giving of such notice; and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

Prior to any defeasance becoming effective as provided in the immediately preceding paragraph, there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Issuer and the Trustee to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer

“Outstanding” under the Indenture; (B) a verification report from an independent certified public accountant or firm of independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Issuer and to the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable; (C) an escrow deposit agreement (reasonably acceptable to the Issuer and the Trustee); and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased.

Supplemental Indentures Without Bondholders’ Consent. The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders, for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in the Indenture or in any description of property subject to the lien of the Indenture, if such action is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(3) To add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(4) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of the Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of the Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.

(7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with the Indenture.

(8) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.

(10) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of either thereof under the Trust Indenture Act of 1939 or any similar federal statute in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of

America, and, if they so determine, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

- (11) To permit the appointment of a co-trustee under the Indenture.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to the Indenture, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Supplemental Indentures With Consent of Bondholders. Subject to the terms and provisions contained in the Indenture, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding of such affected Series of Bonds shall be required. Nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by the Indenture, except as provided in the Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this paragraph, without, in the case of items (ii) through and including (v) of this paragraph, the written consents of one hundred percent (100%) of the Holders of the Outstanding Bonds.

If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this heading, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Holders of not less than a majority, or one hundred percent (100%), as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, then only the written consent of the written consents of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms. Any such consent shall be binding upon the Holder of the Bonds giving such

consent and upon any subsequent Holder of such Bonds 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 Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

The Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Rights of School Parties. Any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

Amendments of Related Security Documents Not Requiring Consent of Bondholders. Subject to the heading immediately below, the Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to the Indenture. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding.

Amendments of Related Security Documents Requiring Consent of the Bondholders. Except as provided in the immediately preceding heading, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as provided in the heading "Supplemental Indentures with

Consent of Bondholders” above (or, if such amendment, change or modification shall only affect one Series of Bonds, the consent of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); provided, however, there shall be no amendment, change or modification to (i) the obligation of the City and the SCSD to make Installment Purchase Payments under the Installment Sale Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), without the prior written approval of the Holders of 100% in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in the heading “Supplemental Indentures With Consent of Bondholders” above (or, if such amendment, change or modification shall affect only one Series of Bonds, the consent of the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding), or (ii) the Tax Compliance Documents without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.



## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT SALE AGREEMENT

*The following is a summary of certain provisions of the Installment Sale Agreement. This summary is qualified in its entirety by reference to the document itself.*

Sale of the Facilities. The Issuer sells to the City and the SCSD, and the City and the SCSD purchase from the Issuer, the Issuer's interest in the existing school buildings and existing school building sites comprising the Facilities and Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions set forth in the Installment Sale Agreement. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be occupied, maintained, used and operated, in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the Closing Date and as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to the Installment Sale Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

Agreement Term. The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds shall cease to be Outstanding and the lien of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City under the Installment Sale Agreement have been paid in full. The Issuer hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions set forth in the Installment Sale Agreement. The Issuer makes no representations whatsoever in connection with the condition of any of the Facilities, and the Issuer shall not be liable for any defects therein.

Termination of License. The Issuer's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Issuer to the SCSD and the City upon the date of completion or abandonment of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project as evidenced by the certificate of the JSCB in accordance with the Installment Sale Agreement. The Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Facilities to the SCSD and the City and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the indemnification obligations of the SCSD and release by the School Parties shall survive as set forth in the Installment Sale Agreement.

The Series 2008 Project; Series 2010 Project; Series 2011 Project; Series 2017 Project; Series 2018A Project. Pursuant to the License and the Bill of Sale to Issuer, respectively, the City and the SCSD have vested the Issuer with a valid license in the Facilities and title to the Equipment, which interest and title the Issuer is selling to the SCSD and the City, subject to the terms and conditions set forth in the Installment Sale Agreement.

As promptly as practicable after receipt of the proceeds of sale of the: (w) Series 2008A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Series 2008 Indenture; (x) Series 2010 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2010 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2010 Bonds deposited in the Project Fund established under the Series 2010 Indenture; (y) Series 2011 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2011 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2011 Bonds deposited in the Project Fund established under the First Supplemental Indenture; (z) the Series 2017 Bonds, and out of said proceeds of sale, the JSCB will proceed to refinance the costs of the Series 2008 Project and effectuate the redemption in whole or part of the Issuer's outstanding Series 2008A Bonds in the principal amount of \$34,780,000; and to pay permitted issuance costs, if any, costs of credit enhancement, if any, and fund a debt service reserve fund, if any, all with respect to the Series 2017 Bonds and pay the redemption costs of the Series 2008A Bonds; and (aa) Series 2018A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2018A Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2018A Bonds deposited in the Project Fund established under the Series 2018A Indenture. The JSCB reasonably believes that the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, pursuant to the applicable Plans and Specifications, will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control (as applicable) only excepted. The City and the SCSD agree that no delay in the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall be the basis for any diminution in or postponement of the amounts payable under the Installment Sale Agreement by the City and the SCSD. In order to effect management of such work, with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the applicable Closing Date entered into one or more Construction Contracts for completion of the Central Tech Project, the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Issuer shall expressly provide that the Issuer shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Issuer shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds. In the event that moneys in the applicable Accounts within the Project Fund are not sufficient to pay the costs necessary to

complete the work with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or pay applicable Costs or Project Costs with respect to the Series 2018A Project in full, none of the School Parties shall be entitled to any reimbursement therefor from the Issuer, the Series Trustee or the Holders of any of the Series 2008A Bonds, Series 2010 Bonds, Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds (except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Base Installment Purchase Payments, Installment Purchase Payments or Additional Payments to be made under the Installment Sale Agreement.

As between the Issuer and the JSCB, the JSCB, acting specifically as agent for the benefit of the Issuer, shall be responsible for the letting and supervision of contracts for the acquisition, construction, reconstruction, and equipping of a Facility, acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Issuer.

As between the Issuer on the one hand, and the School Parties on the other hand, the School Parties shall pay: (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Issuer pursuant to the License, the Bill of Sale to Issuer, the delivery of any instruments and documents and their filing and recording, if required; (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer; and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds; all expenses or claims incurred in connection with the Series 2010 Project and not funded from the proceeds of sale of the Series 2010 Bonds; all expenses or claims incurred in connection with the Series 2011 Project and not funded from the proceeds of sale of the Series 2011 Bonds; and all expenses or claims incurred in connection with the Series 2017 Project and not funded from the proceeds of the sale of the Series 2017 Bonds; and all expenses or claims incurred in connection with the Series 2018A Project and not funded from the proceeds of the sale of the Series 2018A Bonds (or any other Series of Additional Bonds).

None of the School Parties will terminate the Intermunicipal Agreement or be excused from performing its obligations thereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Installment Sale Agreement. The City and the SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be required to complete the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project. The City and SCSD acknowledge that pursuant to the Syracuse Schools Act, all contracts, agreements and obligations of the JSCB are entered into and made on behalf of the City and the SCSD and in the event that the JSCB shall cease to exist for any reason whatsoever during the term of the Installment Sale Agreement, the Program Manager Agreement and any other contract, agreement or obligation of the JSCB relating to the Facilities shall remain in full force and effect and the City and SCSD shall stand jointly in the place and stead of the JSCB thereunder.

The JSCB covenants that, at all times as it shall be effecting the work of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as specified in the Installment Sale Agreement. Upon completion of the work with respect to the Facilities, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Facility for the purposes contemplated by the Installment Sale Agreement and shall furnish copies of same to the Applicable Trustee, immediately upon receipt thereof.

The JSCB further covenants that all contracts entered into by the JSCB for the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

The JSCB also covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Issuer as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Issuer appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

Upon the completion or abandonment by the JSCB of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project, the Series 2018A Project or any portions of either thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Issuer and the Applicable Trustee to such effect.

Additional Facilities. The Issuer and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, and the Series 2018A Indenture or a related Series Indenture, a Series of Additional Bonds or additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of Facilities and/or Additional Facilities.

Payment of Installment Purchase Payments. Subject to the provisions described under the heading "Nature of Obligations of the City and the SCSD" below, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments, with respect to the Series 2008A Bonds, as originally reflected on Schedule A to the Original Agreement, and the Installment Purchase Payments, with respect to the Series 2010 Bonds as originally reflected on Schedule A

of the Second Amended Agreement; Installment Purchase Payments with respect to the Series 2011 Bonds in the amounts as set forth in Schedule A attached to the Third Amended Agreement; Installment Purchase Payments with respect to the Series 2017 Bonds in the amounts set forth on Schedule A attached to the Fourth Amended Agreement; or Installment Purchase Payments with respect to the Series 2018A Bonds in the amounts set forth on Schedule A attached to the Installment Sale Agreement. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, as applicable; *provided, however*, that there shall be credited against any Base Installment Purchase Payments and Installment Purchase Payments any amounts available for such purposes and on deposit in the applicable Bond Fund, including any amounts deposited to a Bond Fund pursuant to Section 5.4 of each Series Indenture and any amounts deposited to a Bond Fund pursuant to Section 4.1(a) of each Series Indenture.

Notwithstanding the foregoing and schedule of Base Installment Purchase Payments and Installment Purchase Payments, in the event the SCSD shall have failed to appropriate by November 1, commencing November 1, 2018, that amount of State Aid to Education required to make (less any amount on deposit in a Bond Fund on such November 1 and available on such date), and for the stated purpose of making, the Base Installment Purchase Payment and/or the Installment Purchase Payment due on the immediately succeeding April 1 (as set forth in Schedule A to the Installment Sale Agreement), then: (y) the SCSD shall promptly deliver written notice of such failure to the Issuer and each Applicable Trustee, and (z) that Base Installment Purchase Payment and/or Installment Purchase Payment next due on such immediately succeeding April 1 (less any amount on deposit in the applicable Bond Fund on such November 1 and available on such date) shall instead be due on the November 15 immediately following such November 1 as if that November 15 were the originally scheduled Base Installment Purchase Payment Date and/or Installment Purchase Payment Date. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, respectively; *provided, however*, that there shall be credited against any Base Installment Purchase Payment and Installment Purchase Payment, as applicable, any amounts available for such purpose and on deposit in each Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of each Applicable Indenture, and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of each Applicable Indenture.

(b) The SCSD shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, with respect to the Series 2008A Bonds, and the applicable Installment Purchase Payments, with respect to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, together with interest accrued and to accrue and premium, if any, to be paid on the applicable Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Applicable Indenture as may be specified in writing by an Authorized Representative of the SCSD at the time of making such prepayment. Upon any such

prepayment, the Applicable Trustee shall, if necessary, and as applicable, recalculate the schedule of Base Installment Purchase Payments or Installment Purchase Payments, as applicable as set forth in the applicable Schedule A with respect to the applicable Series of Bonds, in accordance with the Applicable Indenture and deliver a revised schedule to the SCSD and the Issuer, and such revised schedule shall be deemed to replace the then-existing applicable **Schedule A**.

Direction as to Payment of Base Installment Purchase Payments and Installment Purchase Payments. Installment Purchase Payments shall be paid to the Series 2010 Trustee for credit to the Applicable Bond Fund under the Series 2010 Indenture and the First Supplemental Indenture; to the Series 2017 Trustee for credit to the Applicable Bond Fund under the Series 2017 Indenture and to the Series 2018 Trustee for credit to the Applicable Bond Fund under the Series 2018A Indenture.

Indemnification of the Issuer and Applicable Trustee and Limitation on Liability. The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Issuer, the Applicable Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the "***Indemnified Parties***") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) the Fifth Amended Agreement, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of the Fifth Amended Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of the any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party, or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

Each School Party releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in the Installment Sale Agreement or at the direction of any School Party with respect to any of such matters above referred to; provided, however, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to the Installment Sale Agreement; such notice shall be given in sufficient time to allow the SCSD to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense under the Installment Sale Agreement nor in any way impair the obligations of the SCSD under the Installment Sale Agreement, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD's obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.

The indemnifications and protections set forth in the Installment Sale Agreement shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

Anything to the contrary in the Installment Sale Agreement notwithstanding, the indemnification, hold harmless and release covenants of the School Parties contained in the Installment Sale Agreement shall remain in full force and effect after the termination of the Installment Sale Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions therein specified.

None of the School Parties shall be deemed an employee, agent or servant of the Issuer or under the Issuer's control or supervision.

Nature of Obligations of the City and the SCSD. Except as otherwise provided under this heading, the obligation of the City and the SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Applicable Trustee, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

The obligation of the SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid to Education appropriated by the State and available to the City and/or the SCSD for the purpose of the Installment Sale Agreement and the State Aid Depository Agreement, and moneys budgeted by the SCSD and appropriated by the City for such purpose, and no liability on account thereof shall be incurred by the City and the SCSD beyond the amount of such moneys; *provided however*, that the failure of the City and the SCSD for any reason (including a failure by the SCSD to

budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid Revenues) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of the Installment Sale Agreement and the Syracuse Schools Act, and in such event, the Issuer has appointed the Applicable Trustee to act as its agent for purposes of taking action under the intercept provisions of the Syracuse Schools Act. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD. Neither the full faith and credit of the City or the SCSD nor the taxing power of the City is pledged to the payment of any Installment Purchase Payment or Additional Payment due under the Installment Sale Agreement. However, the obligations of the SCSD and the City under the Installment Sale Agreement to pay Additional Payments shall be a general obligation of the City and the SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither the Installment Sale Agreement nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of the Installment Sale Agreement.

The obligations of the City and the SCSD under the Installment Sale Agreement, including their respective obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which the Installment Sale Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, provided, however, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid Revenues, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

Subject to the limitations contained in the second paragraph under this heading, none of the School Parties will terminate the Installment Sale Agreement (other than such termination as is provided for therein) or be excused from performing its obligations therein for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Installment Sale Agreement.



The School Parties presently intend to continue the Installment Sale Agreement for its entire term and to pay all Base Installment Purchase Payments and all Installment Purchase Payments specified in the schedule attached to the Installment Sale Agreement as such Base Installment Purchase Payments come due under the terms and provisions of the Installment Sale Agreement.

No provision contained above shall be deemed to limit, impair or modify the intercept provisions of the Syracuse Schools Act or the application of the implementing provisions of the Applicable Indenture.

For purposes of this heading, references to the "approval" of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City's Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

Directed State Aid Revenues. Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller's Office to deposit all State Aid to Education into the State Aid Depository Fund established under the State Aid Depository Agreement, and the Commissioner of Financer of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Depository Agreement, to transfer State Aid to Education to the Applicable Trustee and each other Series Trustee in accordance with the State Aid Depository Agreement for the purpose of, in the case of the Applicable Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and the SCSD agree not to modify the procedures set forth in the State Aid Depository Agreement for the collection, deposit or disbursement of State Aid Revenues, except as and to the extent permitted under the State Aid Depository Agreement.

Each of the City and the SCSD acknowledges that, pursuant to the intercept provisions of the Applicable Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under the Installment Sale Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget for and appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Issuer has appointed the Applicable Trustee to act as its agent under the Applicable Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD such state and/or school aid as is payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Applicable Trustee as not having been made, and the State Comptroller shall immediately pay over to the Applicable Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. Notwithstanding anything to the contrary contained in the Installment Sale Agreement, amounts of such state and/or school aid received by the Applicable Trustee on behalf of the Issuer and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

Operation, Maintenance and Repair. During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or

repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD agrees to assume full responsibility therefor.

Utilities, Taxes and Governmental Charges. The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments under the Installment Sale Agreement when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof under the Installment Sale Agreement; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments under the Installment Sale Agreement and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments under the Installment Sale Agreement.

Additions, Enlargements and Improvements. The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances.

Additional Rights of SCSD. The Issuer agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of Section 5.4 of the Installment Sale Agreement shall be and remain the personal property of SCSD and, if not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall not become subject to the Installment Sale Agreement, and may be removed, altered or otherwise changed, upon or before the termination of the Installment Sale Agreement.

Liability Insurance. The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Issuer and the Applicable Trustee until the later of the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project in accordance with the provisions of the Installment Sale Agreement set forth under the heading "The Project Fund", the following kinds and the following amounts of insurance

with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Issuer or the Applicable Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to \$20,000,000 for any one Facility;

During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of \$26,000,000 per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, provided, however, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and

Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by law.

Prior to the commencement of construction of the Facilities, the JSCB shall deliver or cause to be delivered to the Issuer and to the Applicable Trustee duplicate copies of insurance policies obtained by the JSCB under the Installment Sale Agreement and/or binders evidencing compliance with the insurance requirements of the Installment Sale Agreement. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Issuer and the Applicable Trustee thirty (30) days in advance of such change.

At least thirty (30) days prior to the expiration of any insurance policy required under the Installment Sale Agreement, the JSCB shall furnish the Issuer and the Applicable Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Installment Sale Agreement.

All insurance required by the Installment Sale Agreement above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State.

The JSCB shall, at its own cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Applicable Trustee to collect from insurers for any loss covered by any insurance required to be obtained under this heading. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required under this heading would or might be suspended or impaired. The SCSD assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Issuer and the Applicable

Trustee against, or to reimburse the Issuer and the Applicable Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required by the Installment Sale Agreement. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

Damage, Destruction or Condemnation. The School Parties agree to notify the Issuer and the Applicable Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty, and shall state the plans of the School Parties with respect to the repair, reconstruction and restoration of the affected Facility.

If any Facility or portion thereof shall be condemned or taken by eminent domain, the Installment Sale Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD thereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the “*termination date*”), and the School Parties will promptly give notice thereof to the Issuer and the Applicable Trustee, and shall state the plans of the School Parties with respect to the replacement or restoration of the affected Facility.

If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a “*Loss Event*”) at any time while the Installment Sale Agreement is in effect:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under the Installment Sale Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance (after payment of all reasonable expenses, costs and taxes (including attorneys’ fees) (the “*Net Proceeds*”) incurred in obtaining such proceeds) shall be deposited in the Project Fund, and, subject to the provisions clause (iv) below, at the option of the City, shall be applied to either (A) replace, repair, rebuild, restore or relocate the affected Facility, or (B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Applicable Indenture; and

(iv) If the School Parties replace, repair, rebuild, restore or relocate the affected Facility, the Applicable Trustee shall disburse such proceeds from the Project Fund in the manner set forth in the Applicable Indenture to pay or reimburse the School Parties for the cost of such replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in clause (iii) above, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than \$50,000, and (B) no Event of Default then exists under the Applicable Indenture or the Installment Sale Agreement; the School Parties shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance with the Installment Sale Agreement and with the Tax Compliance Documents.

Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a “project” as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Nationally Recognized Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the School Parties in accordance with the terms of the applicable contracts.

In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the School Parties shall nonetheless complete the work and pay from its own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made, whether or not requiring the expenditure of the money of the School Parties, shall automatically become a part of a Facility as if the same were specifically described in the Installment Sale Agreement.

Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Applicable Indenture or the Tax Compliance Documents, be used to redeem the Bonds as provided in the Applicable Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Applicable Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

Compliance with Laws and Regulations. Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the School Parties and any of the Facilities or the use or manner of use of any of the Facilities; provided, however, the obligation of the JSCB or the SCSD to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

Assignment and Sale by the School Parties. The School Parties will not sell, lease, transfer or otherwise dispose of or encumber any of their interest in any of the Facilities except in the case of Permitted Encumbrances or as provided under the heading “Release of Facilities” below; provided, however, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and the Installment Sale Agreement, (y) upon delivery to the Applicable Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under the Installment Sale Agreement, and (z) upon delivery to the Applicable Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes.

The Installment Sale Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Issuer, the other School Parties and the Applicable Trustee (which consent may be unreasonably withheld) but no assignment shall relieve the School Parties from primary liability for any of its obligations under the Installment Sale Agreement, and in the event of any such assignment each of the School Parties shall continue to remain primarily liable for the respective payments specified in the Installment Sale Agreement and for performance and observance of the other agreements provided on its part in the Installment Sale Agreement.

Covenant not to Affect the Tax-Exempt Status of the Bonds. The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Documents and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

Covenants as to State Aid Depository Agreement. The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller's office to forward all State Aid to Education payments to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Depository Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Depository Agreement.

Release of Facilities. So long as there exists no event of default under the Installment Sale Agreement, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Issuer and the Applicable Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from the Installment Sale Agreement and the License. Upon receipt of such notice, the Issuer and the Applicable Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to the Installment Sale Agreement and the License; provided, however, that in the event the release is of the last remaining Facility, the SCSD and the City must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions described under this heading shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments or the Additional Payments required to be made by the SCSD and the City under the Installment Sale Agreement.

Compliance with Requirements for State Aid to Education and Other State and/or School Aid. The City and the SCSD will comply with all requirements necessary to ensure receipt of State Aid to Education and other state and/or school aid payable to the City or the SCSD over the term of the Installment Sale Agreement.

No Impairment of Pledge of State Aid to Education and Other State and/or School Aid. Each of the School Parties covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid payable to the City or the SCSD under the Syracuse Schools Act; provided, however, that nothing contained in the Installment Sale Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Applicable Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or

amortize principal on a schedule comparable to that of the Bonds Outstanding under the Applicable Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for under the Installment Sale Agreement.

Events of Default. An “event of default” or a “default” shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Issuer or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Issuer or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Issuer, the Applicable Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions.

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

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the

SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under the Installment Sale Agreement shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Syracuse Schools Act, and in such event the Issuer has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Year, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

Remedies. Whenever any event of default as provided above shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Issuer (with the prior written consent of the Applicable Trustee) or the Applicable Trustee, subject in all respects to the provisions under the heading “Nature of Obligations of the City and the SCSD” above, 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 School Parties under the Installment Sale Agreement. For so long as any of the Bonds are Outstanding or any amounts remain due and payable by the School Parties under the Installment Sale Agreement, neither the Issuer nor the Applicable Trustee shall take any action which shall have the effect of terminating the Installment Sale Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, provided, however, that in addition to any other rights or remedies granted under this heading to the Issuer, the Issuer may enforce any of the Issuer’s Reserved Rights without the consent of the Applicable Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to provisions under this heading shall relieve any School Party from the its obligations under the Installment Sale Agreement, all of which shall survive any such action.

Cure. Notwithstanding any remedy taken by the Issuer or the Applicable Trustee pursuant to the provisions described under the immediately preceding heading, if all arrears of Installment Purchase Payments, and all other Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Applicable Trustee (including reasonable attorneys’ fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Applicable Trustee or the Issuer.

No Remedy Exclusive. Subject to the provisions of the second sentence under the heading “Remedies” above, no remedy conferred in the Installment Sale Agreement upon or reserved to the Issuer or the Applicable Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given in the Installment Sale 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 default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Applicable Trustee to



exercise any remedy reserved to it in the Installment Sale Agreement it shall not be necessary to give any notice, other than such notice as may be expressly required in the Installment Sale Agreement.

Effect on Discontinuance of Proceedings. In case any proceeding taken by the Applicable Trustee under the Applicable Indenture or the Installment Sale Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation under the Installment Sale Agreement or the Applicable Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Applicable Trustee, then, and in every such case, the Issuer, the Applicable Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights thereunder, and all rights, remedies, powers and duties of the Applicable Trustee shall continue as in effect prior to the commencement of such proceedings.

Limitations on Termination of Agreement. Neither the Issuer, the Applicable Trustee nor any School Party shall take or fail to take any action which would cause the Installment Sale Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under the Installment Sale Agreement or prior to the discharge of the lien of the Applicable Indenture.

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FORM OF OPINION OF BOND COUNSEL

*Upon delivery of the Series 2018A Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:*

**BARCLAY DAMON, LLP**

March 15, 2018

City of Syracuse Industrial Development Agency  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the City of Syracuse Industrial Development Agency (the “**Issuer**”) of its School Facility Revenue Bonds, Series 2018A (Syracuse City School District Project) in the aggregate principal amount of \$ \_\_\_\_\_,000 (the “**Series 2018A Bonds**”).

The Series 2018A Bonds are authorized to be issued pursuant to (i) Title I of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, and Section 926 of the State’s General Municipal Law, as amended from time to time (collectively, the “**IDA Act**”) and Chapter 58, Part A-4 of the Laws of 2008 of the State, as amended from time to time (the “**Syracuse Schools Act**”); (ii) a certain Indenture of Trust (Series 2018A) dated as of March 1, 2018 (the “**Indenture**”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “**Trustee**”); and (iii) a resolution adopted by the Issuer on January 16, 2018 (the “**Inducement Resolution**”) and an approving resolution adopted by the Issuer on January 16, 2018 (the “**Bond Resolution**”) and together with the Inducement Resolution, the “**Resolution**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series 2018A Bonds are being issued to finance a project (the “**Series 2018A Project**”) undertaken by the Issuer at the request of the Syracuse Joint Schools Construction Board (the “**JSCB**”), acting as agent of the City of Syracuse, New York (the “**City**”) and the City School District of the City of Syracuse (the “**SCSD**”), consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “**Buildings**”); (ii) the reconstruction,

renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**") and together with the Buildings, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A Project in an aggregate principal amount of up to \$82,000,000.

The Series 2018A Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Series 2018A Bonds are subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Indenture.

The SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank (as the "**Depository Bank**") have entered into a certain State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amended and Restated State Aid Depository Agreement, dated as of December 1, 2010 (as the same may be further amended or supplemented from time to time, collectively the "**State Aid Depository Agreement**"), pursuant to and with respect to which each of the Commissioner of Finance of the City and the SCSD have instructed the State Comptroller to pay all New York State building and operating aid appropriated by the State for the SCSD directly to the State Aid Depository Fund established with and held by the Depository Bank pursuant to the State Aid Depository Agreement.

The City and the SCSD have granted a license to the Issuer in and to the Facilities pursuant to a License Agreement (Series 2008 Project), dated as of March 1, 2008, among the City, the SCSD and the Agency (the "**Original License**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), and as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017 (the "**Third Amendatory License Agreement**") and as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018 (the "**Fourth Amendatory License Agreement**" and together with the Original License, the Amendatory License Agreement, the Second Amendatory License Agreement and the third Amendatory License Agreement, collectively, the "**License**"); and conveyed title to the Equipment (as defined in the Installment Sale Agreement as defined hereinbelow) comprising a portion of the Facilities to the Issuer pursuant to a Bill of Sale to Agency, dated as of March 1, 2008, as amended by an Amendatory Bill of Sale dated as of December 1, 2010, as further amended by a Second Amendatory Bill of Sale dated as of March 1, 2018 (collectively, the "**Bill of Sale**"). The Issuer has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**"); and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second

Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**") as same may be further amended or supplemented from time to time, each between the Agency, the City, the JSCB and the SCSD. Pursuant to the Installment Sale Agreement, the SCSD and the City have agreed to pay scheduled Installment Purchase Payments in amounts equal to the principal of and interest on the Series 2018A Bonds, *provided, however*, that such Installment Purchase Payment obligation of the SCSD and the City are executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement) available for such payment from the State Aid Depository Fund and transferred therefrom to the Trustee by the Depository Bank, and further subject to budgeting by the SCSD, appropriation by the City for such purpose and approval by the SCSD of payment thereof after appropriation by the City therefor.

Pursuant to the Indenture and the Pledge and Assignment dated as of March 1, 2018, by the Issuer to the Trustee, acknowledged by the City, the SCSD and the JSCB, the Issuer has assigned to the Trustee substantially all of the Issuer's right, title and interest in, to and under the Installment Sale Agreement, including the foregoing Installment Purchase Payments to be made by the SCSD and the City.

It is provided in the Indenture that, upon satisfying certain conditions, the Issuer may issue one or more series of additional bonds (the "**Additional Bonds**") from time to time on the terms and conditions and for the purposes stated in the Applicable Indenture; and the Additional Bonds, if issued, will be equally and ratably secured under the Applicable Indenture with the Series 2018A Bonds. The Indenture further provides that the amount of Installment Purchase Payments required to be paid under the Installment Sale Agreement shall be re-calculated so as to provide money for the full and timely payment of the principal of and interest on the Series 2018A Bonds and any such series of Additional Bonds.

We have reviewed an opinion of even date herewith of Trespasz & Marquardt LLP, counsel to the JSCB, upon which we are relying as to the due authorization, validity and enforceability of the Installment Sale Agreement and any other documents executed by the JSCB, as they relate to the JSCB; an opinion of even date herewith of the Corporation Counsel of the City of Syracuse, counsel to the City and the SCSD, upon which we are relying as to the due authorization, validity and enforceability of the License, the Installment Sale Agreement, the State Aid Depository Agreement and any other documents executed by each party as they relate to the City and the SCSD; and an opinion of even date herewith of Hodgson Russ LLP, counsel to the Trustee and the Depository Bank upon which we are relying as to the due authorization, validity and enforceability of the Indenture by the Trustee. No opinion as to such matters is expressed herein.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including documents contained in the record of proceedings with respect to the issuance of the Series 2018A Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

For purposes of the opinions set forth in paragraph (vi), we have assumed: (a) the accuracy of certain factual certifications of the Issuer, the JSCB, the SCSD and the City; and (b) continuing compliance by the Issuer, the JSCB, the SCSD and the City with their respective tax-related covenants in the Indenture, the Installment Sale Agreement, the Tax Certificate, dated the date hereof, of the Issuer and the Arbitrage and Use of Proceeds Certificate dated the date hereof of the JSCB, the SCSD and the City. In the event of the inaccuracy or incompleteness of any of such certifications or of the failure by the

Issuer, the JSCB, the SCSD or the City to comply with such covenants, the interest on the Series 2018A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Series 2018A Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although such interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of such interest may otherwise affect the tax liability of a holder of a Series 2018A Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2018A Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Series 2018A Bonds, and we express no opinion relating thereto. We have not been requested to examine and have not examined any documents or information relating to the JSCB, the City or the SCSD other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2018A Bonds.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing corporate governmental agency constituting a public benefit corporation under the laws of the State.
- (ii) The Series 2018A Project constitutes a "project" under and as defined in the IDA Act and the Syracuse Schools Act.
- (iii) The Issuer has the right and power under the IDA Act and the Syracuse Schools Act: (a) to acquire a license interest in Facilities and title to the Equipment; (b) to undertake the Series 2018A Project and to issue, execute, sell and deliver the Series 2018A Bonds in connection with the Series 2018A Project; (c) to assign its interest in the Installment Sale Agreement to the Trustee as provided in the Indenture and the Installment Sale Agreement; and (d) to enter into the Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement.
- (iv) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (v) The Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement the have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.
- (vi) The Series 2018A Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms and are entitled to the benefits of the Indenture. The Indenture creates a valid pledge of and a valid lien upon the Trust Estate, except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for the purposes and on the terms and conditions set forth in the Indenture.

- (vii) Under existing law and assuming the accuracy of certain representations and compliance with certain tax covenants described herein: (a) interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and (b) interest on the Series 2018A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State and the political subdivisions thereof (including the City of New York).

[The Series 2018A Bonds maturing on \_\_\_\_\_ (collectively the “*Premium Bonds*”) have been initially offered to the public at prices greater than the amount payable with respect to such Premium Bonds at maturity. As a result of requirements under the Code relating to tax cost reduction associated with the amortization of bond premium, under certain circumstances the initial purchaser of such Premium Bond may realize taxable gain upon disposition thereof even though sold or redeemed for an amount less than or equal to such purchaser’s original acquisition cost. The amortization requirements may also result in the reduction of the amount of stated interest which an initial purchaser of such Premium Bond is treated as having received for federal tax purposes.]

[The Series 2018A Bonds maturing on \_\_\_\_\_ (collectively the “*Discounted Bonds*”) have been initially offered to the public at prices less than the amount payable with respect to such Discounted Bonds at maturity. The difference between the stated principal amount of such Discounted Bonds and the initial offering price of such Discounted Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discounted Bonds of the same maturity were sold constitutes original issue discount. Such original issue discount is excluded from gross income for Federal income tax purposes to the same extent as interest on such Discounted Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of such Discounted Bond and the basis of such Discounted Bond acquired at such initial offering price by an initial purchaser of such Discounted Bond will be increased by the amount of such accrued discount. The accrual of original income discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Discounted Bonds, even though there will not be a corresponding cash payment.]

In rendering our opinion, we wish to advise you that:

(a) The enforceability against the Issuer of the Series 2018A Bonds, the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors’ rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the priority of the fee interest or the ownership of any other interest in any parcel of the land included within the Series 2018A Project, or the sufficiency of the description of any such parcel in the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment or the existence of any liens or encumbrances on any property.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Series 2018A Bonds may be changed,

and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. We express no opinion as to any series of the Series 2018A Bonds or the interest thereon, if any, with respect to any change or action taken upon the advice or approval of bond counsel other than Barclay Damon LLP.

(e) We have assumed the due filing and sufficiency of financing statements under the State Uniform Commercial Code.

(f) We express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the rehabilitation, construction, reconstruction or equipping of any of the Facilities or the operation of any of the Facilities, or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to any of the Facilities or the transactions contemplated under the Indenture.

We have examined the executed Bond numbered RA-1 through RA-\_\_\_, in fully registered form and, in our opinion, the form of the Bond and the execution thereof are regular and proper.

Very truly yours,

**BARCLAY DAMON LLP**



## FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (“Disclosure Agreement”) is entered into as of March \_\_, 2018, by and between the SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD (the “JSCB”), on behalf of itself, the CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the “SCSD”) and the CITY OF SYRACUSE (the “City”), party of the first part, and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (the “Trustee”), party of the second part, in connection with the issuance by City of Syracuse Industrial Development Agency (the “Agency”) of its \$67,120,000 aggregate principal amount School Facility Revenue Bonds (City School District of the City of Syracuse Project), Series 2018A (the “Series 2018A Bonds”).

The Series 2018A Bonds are being issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the “Indenture”). Proceeds of the Series 2018A Bonds are being used to (a) to finance a portion of the costs of the Series 2018A Project (as defined herein), consisting of the design and/or rehabilitation and reconstruction of certain existing school buildings located in the City, and the acquisition of equipment, fixtures and furnishings all for use by the SCSD (the “Series 2018A Project”) as more particularly set forth in the Indenture and in accordance with Chapter 58, Part A-4 of the Laws of 2006 of the State, as amended (the “Syracuse Schools Act”); (b) to fund capitalized interest for the Series 2010 Project; and (c) to finance certain costs of issuance of the Series 2018A Bonds. The Series 2018A Project is being undertaken to finance certain costs of Phase II of a four/to/five phase ten/year comprehensive redevelopment program.

In order to permit the Underwriters of the Series 2018A Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2018A Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by JSCB, on behalf of each of the City and the SCSD, and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2018A Bonds and in order to assist the Underwriters in complying with the Rule (as defined below). The JSCB and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

SECTION 2. Definitions. Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

“Annual Report” shall mean any annual report and related annual information to be provided by the JSCB on behalf of the SCSD and the City, pursuant to Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Chairman of the JSCB or his or her designee, or such other person as the JSCB shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the SCSD and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period of twelve months beginning July 1 of each year and ending on June 30 of the same year, or any other twelve month period adopted by the SCSD as its fiscal year for accounting purposes.

“Listed Events” shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Repository” shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of New York.

“Underwriters” shall mean collectively, Raymond James, on its own behalf and as the Representative of the other Underwriters set forth on Schedule I attached hereto, as the original underwriters of the Series 2018A Bonds required to comply with the Rule in connection with the offering of the Series 2018A Bonds.

### SECTION 3. Obligations to Provide Continuing Disclosure.

On an annual basis, no later than one calendar year after the end of each respective Fiscal Year, commencing with the Fiscal Year ended June 30, 2018, the JSCB shall provide, on behalf of the SCSD or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as provided in Section 4(ii) hereof. If the Fiscal Year changes, the JSCB shall give notice of such change in the same manner as required for a Listed Event. The JSCB shall provide sufficient copies of the Annual Reports to facilitate the Dissemination Agent’s carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the JSCB, on behalf of the SCSD, for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the SCSD and the City.

The Dissemination Agent shall file a report with the JSCB and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual Report has been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.

SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) The audited financial statements of the SCSD for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the SCSD's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available; and

(b) Material historical quantitative data, including, but not limited to, information on State Aid to Education to be received by the SCSD and/or the City, as applicable, and all statutory intercepts applicable to the SCSD and/or the City, as applicable, as applicable, not otherwise described in the Final Official Statement dated March \_\_, 2018 ("Final Official Statement"), as well as any other revenues, expenditures, financial operations and indebtedness with respect to the Series 2018A Bonds generally of the type discussed in the sections and subsections of the Final Official Statement entitled, "THE PROGRAM," "PROGRAM PARTICIPANTS", and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS —State Aid."

(c) A report consolidating the information required from the SCSD under subsection 4(i)(a) above.

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the SCSD may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call 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 shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The SCSD shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2018A Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2018A Bonds, or other material events affecting the tax status of the Series 2018A Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2018A Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the JSCB, the SCSD or the Issuer;

Note to clause (13): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the SCSD in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the SCSD, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the SCSD

14. The consummation of a merger, consolidation, or acquisition involving the SCSD or the Issuer or the sale of all or substantially all of the assets of the SCSD or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
16. Failure of the SCSD to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement;

(b) Certain of the six Listed Events subject to a materiality standard may not be applicable. Whenever the SCSD obtains knowledge of the occurrence of such a Listed Event, the SCSD shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2018A Bonds.

(c) The JSCB, on behalf of the SCSD, shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the SCSD to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the SCSD nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2018A Bonds, (B) the SCSD does not apply for or participate in obtaining the enhancement, and (C) the SCSD does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2018A Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2018A Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes,” “structured,” “targets” or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The JSCB’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2018A Bonds.

SECTION 7. Dissemination Agent. The JSCB may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the JSCB, on behalf of SCSD or the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the JSCB shall pay the Dissemination Agent an annual fee of \$500.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the “Requirements”) may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the SCSD, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2018A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the SCSD (such as, but without limitation, the SCSD's financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2018A Bonds, ceases to be in effect for any reason, and the SCSD elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the JSCB, on behalf of the SCSD, shall have delivered to the Trustee an opinion of Counsel, addressed to the SCSD, the City, the JSCB, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the JSCB from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the JSCB, at the direction of the SCSD or the City, chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the JSCB shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Requirements (the "Undertaking") or for any remedy for breach thereof, unless such Bondholder shall have filed with the SCSD evidence of ownership and a written notice of and request to cure such breach, and the SCSD shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the SCSD agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder

and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent's negligence or willful misconduct. The obligations of SCSD under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the JSCB:

Syracuse Joint Schools Construction Board  
Attention: Secretary  
203 City Hall  
Syracuse, New York 13202  
Tel: (315) \_\_\_\_ - \_\_\_\_  
Fax: (315) \_\_\_\_ - \_\_\_\_

with copies to

SCSD:

City SCSD of the City of Syracuse  
725 Harrison Street, City Hall  
Syracuse, New York 13210  
Attention: Superintendent  
Tel: (315) \_\_\_\_ - \_\_\_\_  
Fax: (315) \_\_\_\_ - \_\_\_\_

the City:

City of Syracuse  
Attention: Mayor and Corporation Counsel  
233 East Washington Street  
City Hall, Room 203  
Syracuse, New York 13202  
Tel: (315) 448-8400  
Fax: (315) \_\_\_\_ - \_\_\_\_

and

Theodore A. Trespasz, Jr., Esq.  
Trespasz & Marquardt, LLP  
251 West Fayette Street  
Syracuse, New York 13202  
Tel: (315) 466-4444  
Fax: (315) 466-5555

To the Trustee:

Manufacturers and Traders Trust Company  
One M & T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
E-mail address: rwhitley@mtb.com  
Tel: (716) 842-5602  
Fax: (716) 842-4474

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 9.3 of the Indenture as if it were a fiduciary under the Indenture.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD

By: \_\_\_\_\_  
[Name]  
[Title]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By: \_\_\_\_\_  
Authorized Officer



SCHEDULE I

Raymond James

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Syracuse Industrial Development Agency  
Name of Bond Issue: \$67,120,000 Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A (the "Series 2018A  
Bonds")  
Date of Issuance: March \_\_, 2018

NOTICE IS HEREBY GIVEN that City School District of the City of Syracuse (the "SCSD") has not provided an Annual Report with respect to the above-named Series 2018A Bonds as required by the Continuing Disclosure Agreement, dated as of March \_\_, 2018 between the Syracuse Joint Schools Construction Board, on behalf of the SCSD and the City of Syracuse, and Manufacturers and Traders Trust Company, as trustee. [The \_\_\_\_\_ anticipates that an Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

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OFFICIAL STATEMENT

New Issue Book Entry

Moody's: "Aa2"  
Standard & Poor's: "AA"  
Fitch: "AA"  
(See "RATINGS" herein)

**\$67,265,000**  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

Dated: Delivery Date

Due: as shown on inside cover

The School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**") are being issued by the City of Syracuse Industrial Development Agency (the "**Issuer**") in accordance with Chapter 58 Pt. A-4 of the Laws of 2006 of the State of New York, as amended (the "**Syracuse Schools Act**"). The Series 2018A Bonds will be issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "**Indenture**") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "**Trustee**"), to provide money to finance a portion of the costs of design, reconstruction, construction, rehabilitation, and/or equipping of certain existing school buildings for use by the City School District of the City of Syracuse (the "**SCSD**"). The Series 2018A Bonds are special limited obligations of the Issuer payable from amounts due solely from the SCSD and the City of Syracuse (the "**City**") under an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008 (the "**2008 Original Installment Sale Agreement**"); as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated April 1, 2017 (the "**Fourth Amended Agreement**"), and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**"), together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement, the Fourth Amended Agreement and the Fifth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**", each among the Issuer, the City, the SCSD and the Syracuse Joint Schools Construction Board (the "**JSCB**").

The obligation of the SCSD and the City to pay base installment purchase payments and installment purchase payments under the Installment Sale Agreement are deemed executory only to the extent of New York State building and operating aid, which aid does not include Expanding our Children's Education and Learning aid, that is appropriated by the New York State Legislature and paid to the SCSD or the City or any officer thereof, for the provision of public educational instruction for the City ("**State Aid to Education**"). Payment of State Aid to Education to the SCSD and the City is subject to annual appropriation of the State of New York (the "**State**"). Pursuant to a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**") and together with the Depository Agreement collectively, the "**State Aid Depository Agreement**", each among the SCSD, the City and Manufacturers and Traders Trust Company, as depository (the "**Depository**"), all State Aid to Education made payable to the SCSD or the City will be deposited into a State Aid Depository Fund with the Depository and, upon appropriation by the City and the SCSD, such State Aid to Education will be disbursed for the payment of principal and interest on the Series 2018A Bonds, Series 2017 Bonds (as defined herein), Series 2011 Bonds (as defined herein), the Series 2010 Bonds (as defined herein) and other purposes of the SCSD.

The Series 2018A Bonds are special limited obligations of the Issuer payable solely from: (i) the payment of base installment purchase payments and installment purchase payments by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including a bond fund, under the Indenture. In the event the SCSD and the City fail to make an installment purchase payment under the Installment Sale Agreement, it is provided in the Syracuse Schools Act and the Indenture that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid payable to the SCSD or the City to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments is not a general obligation of the SCSD or the City and neither the faith and credit nor the taxing powers of the City is pledged to the payment of base installment purchase payments and installment purchase payments under the Installment Sale Agreement. The obligation of the SCSD and the City under the Installment Sale Agreement to pay base installment purchase payments and installment purchase payments in any fiscal year of the SCSD or the City constitutes a current expense of the SCSD for such fiscal year and shall not constitute an indebtedness or moral obligation of the SCSD, the City or the State within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available for the payment of the principal of and interest on the Series 2018A Bonds are bond proceeds set aside to fund capitalized interest, installment purchase payments made by the SCSD and the City under the Installment Sale Agreement to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City and appropriated by the City and the SCSD to make such payments, and the intercept by the State Comptroller of any other state and/or school aid payable to the City or the SCSD to the extent of any installment purchase payment deficiency. The Series 2018A Bonds are neither a general obligation of the Issuer, nor a debt or indebtedness of the City or the State and neither the City nor the State shall be liable thereon. The Issuer has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" herein.

The Series 2018A Bonds will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTCC**"). See "THE SERIES 2018A BONDS—Registration and Payment — Book-Entry System" herein.

The Series 2018A Bonds will bear interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2018 and are subject to redemption prior to maturity as described herein. See "THE SERIES 2018A BONDS—Redemption of Series 2018A Bonds" herein.

*In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.*

*The Series 2018A Bonds are offered when, as, and if issued and received by the Underwriters subject to the approval of legality by Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Corporation Counsel of the City; for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York; for the Syracuse Joint Schools Construction Board by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York; for the SCSD and the City by the Corporation Counsel of the City. Capital Markets Advisors, LLC serves as independent financial advisor to the SCSD and the City. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC on or about March 15, 2018.*

**Raymond James**

**FTN Financial Capital Markets**

**Loop Capital Markets**

**Ramirez & Co., Inc.**

Dated: March 2, 2018

**\$67,265,000**  
**City of Syracuse Industrial Development Agency**  
**School Facility Revenue Bonds**  
**(Syracuse City School District Project) Series 2018A**

| <u>May 1</u> | <u>Principal</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP<br/>Numbers<sup>†</sup></u> | <u>May 1</u> | <u>Principal</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP<br/>Numbers<sup>†</sup></u> |
|--------------|------------------|---------------|--------------|--------------------------------------|--------------|------------------|---------------|--------------|--------------------------------------|
| 2020         | \$3,090,000      | 5.00%         | 1.50%        | 871683CU0                            | 2028         | \$4,610,000      | 5.00%         | 2.54%        | 871683DC9                            |
| 2021         | 3,250,000        | 5.00%         | 1.69%        | 871683CV8                            | 2029         | 4,845,000        | 5.00%         | 2.65%        | 871683DD7                            |
| 2022         | 3,415,000        | 5.00%         | 1.89%        | 871683CW6                            | 2030         | 5,095,000        | 5.00%         | 2.74%        | 871683DE5                            |
| 2023         | 3,590,000        | 5.00%         | 2.01%        | 871683CX4                            | 2031         | 5,355,000        | 5.00%         | 2.79%        | 871683DF2                            |
| 2024         | 3,775,000        | 5.00%         | 2.09%        | 871683CY2                            | 2032         | 5,630,000        | 5.00%         | 2.82%        | 871683DG0                            |
| 2025         | 3,970,000        | 5.00%         | 2.24%        | 871683CZ9                            | 2033         | 5,920,000        | 5.00%         | 2.87%        | 871683DH8                            |
| 2026         | 4,170,000        | 5.00%         | 2.33%        | 871683DA3                            | 2034         | 6,165,000        | 3.25%         | 3.35%        | 871683DJ4                            |
| 2027         | 4,385,000        | 5.00%         | 2.47%        | 871683DB1                            |              |                  |               |              |                                      |

<sup>†</sup> Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the Issuer and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 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 Bonds.

*No dealer, broker, salesperson or other person has been authorized by the Issuer, the City, the SCSD or the Underwriters to give any information or to make any representations with respect to the Series 2018A Bonds, other than the information and representations contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by 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 2018A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.*

*The Series 2018A Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2018A Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2018A Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2018A Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.*

*Certain information in this Official Statement has been supplied by the Issuer, the JSCB, the SCSD, the City, and other sources that the Issuer and the Underwriters believe are reliable. Neither the Issuer nor the Underwriters guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Issuer or the Underwriters. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the JSCB, the SCSD, or the City since the date hereof.*

*The Issuer assumes no responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that appearing under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer), all of which other information has been furnished by others.*

*The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.*

*References in this Official Statement to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement (each as herein defined) do not purport to be complete. Reference is made to the Act, the Syracuse Schools Act, the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement for full and complete details of their respective provisions. Copies of the Indenture, the State Aid Depository Agreement, the Installment Sale Agreement, and the License Agreement, are on file with 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 the appendices, must be considered in its entirety.*

*The contents of this Official Statement are not to be construed as legal, business or tax advice. Prospective investors should consult their own attorneys and business and tax advisors as to legal,*

*business and tax advice. In making an investment decision, prospective investors must rely on their own examination of the terms of the offering of the Series 2018A Bonds, including the merits and risks involved. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any Series 2018A Bonds.*

*This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the State and the SCSD and the amount of State Aid to Education paid to the SCSD or the City, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the Issuer, the Underwriters or the SCSD that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.*

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

*IN CONNECTION WITH THE OFFERING OF THE SERIES 2018A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2018A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.*



## TABLE OF CONTENTS

|  |    |  |     |
|--|----|--|-----|
| INTRODUCTION.....                                      | 1  | Timing of Payments under State Aid Trust Agreement .....     | 41  |
| General .....  | 1  | DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY               |     |
| Authorization.....                                     | 1  | AND THE SCSD .....   | 42  |
| Purpose of the Series 2018A Bonds .....                | 1  | Budget Procedures and Plans .....                            | 42  |
| The Program.....                                       | 2  | Accounting and Financial Reporting .....                     | 43  |
| Program Financings .....                               | 3  | Summary of Significant Accounting Policies.....              | 43  |
| Structure of the Series 2018A Bonds.....               | 4  | SCSD General Fund Results of Operations – Year Ended         |     |
| Security for the Series 2018A Bonds.....               | 4  | June 30, 2017 .....  | 43  |
| THE PROGRAM .....                                      | 9  | Anticipated SCSD General Fund Results of Operations –        |     |
| Authorization.....                                     | 9  | Year Ended June 30, 2018 .....                               | 44  |
| Program Overview .....                                 | 9  | ANNUAL INSTALLMENT PURCHASE PAYMENTS .....                   | 45  |
| The Series 2008 Project .....                          | 9  | BONDHOLDERS’ RISKS.....                                      | 45  |
| The Series 2010 Project .....                          | 10 | Tax Cuts and Jobs Act.....                                   | 45  |
| The Series 2011 Project .....                          | 10 | The State’s Financial Condition, Reduced State Aid,          |     |
| The Series 2017 Project .....                          | 10 | Delayed Payment .....  | 46  |
| Phase II of the Program.....                           | 10 | Appropriation of and Possible Changes to State Aid .....     | 47  |
| PROGRAM PARTICIPANTS.....                              | 10 | Default by the SCSD and the City .....                       | 47  |
| The City.....  | 10 | Appropriation of Installment Purchase Payments by the        |     |
| The SCSD and Board of Education .....                  | 11 | City and the SCSD.....                                       | 48  |
| Charter Schools .....                                  | 12 | Competing Claims to State Aid.....                           | 48  |
| SCSD Budget — Year Ending June 30, 2018 .....          | 12 | Additional Series of Project Bonds or Series of Additional   |     |
| SCSD Financial Plan.....                               | 14 | Bonds .....  | 51  |
| Employee Benefit Plans .....                           | 15 | Insurance.....   | 51  |
| Retirement System Billing Procedures.....              | 16 | Enforceability of Remedies.....                              | 51  |
| Pension Reform.....                                    | 16 | State Aid Depository Agreement .....                         | 52  |
| Retirement Contributions.....                          | 17 | Statutory Interpretation .....                               | 52  |
| Accounting for Retirement Costs .....                  | 17 | Limited Obligations of the Issuer.....                       | 52  |
| Post Employment Benefits.....                          | 18 | Absence of Public Market for the Series 2018A Bonds .....    | 53  |
| The JSCB .....   | 19 | Executive Order on Sanctuary Cities .....                    | 53  |
| New York State Education Department .....              | 19 | TAX MATTERS .....  | 54  |
| The Program Manager .....                              | 19 | Series 2018A Bonds .....                                     | 54  |
| State Aid to Education .....                           | 20 | APPROVAL OF LEGAL MATTERS.....                               | 56  |
| New York State Budget Process.....                     | 23 | FINANCIAL ADVISOR.....                                       | 56  |
| THE ISSUER .....                                       | 27 | NO LITIGATION .....  | 56  |
| PLAN OF FINANCING .....                                | 28 | RATINGS .....  | 57  |
| SOURCES AND USES OF FUNDS.....                         | 28 | UNDERWRITING.....  | 57  |
| THE SERIES 2018A BONDS.....                            | 28 | SECONDARY MARKET DISCLOSURE.....                             | 57  |
| General .....  | 28 | MISCELLANEOUS.....   | 58  |
| Exchange of Series 2018A Bonds .....                   | 29 |  |     |
| Transfer of Series 2018A Bonds.....                    | 29 | APPENDIX A — Certain Financial Information and Audited       |     |
| Redemption of the Series 2018A Bonds.....              | 30 | Financial Statements of the City School District of the City |     |
| Selection of Series 2018A Bonds to be Redeemed .....   | 30 | of Syracuse .....  | A-1 |
| Redemption Procedures .....                            | 30 | APPENDIX B — Summary of Definitions .....                    | B-1 |
| Registration and Payment — Book-Entry System .....     | 31 | APPENDIX C — Summary of Certain Provisions of the            |     |
| SECURITY AND SOURCES OF PAYMENT FOR THE                |    | Indenture of Trust.....                                      | C-1 |
| SERIES 2018A BONDS.....                                | 34 | APPENDIX D — Summary of Certain Provisions of the            |     |
| General .....  | 34 | Installment Sale Agreement.....                              | D-1 |
| The License Agreement .....                            | 34 | APPENDIX E — Form of Opinion of Bond Counsel for Series      |     |
| The Installment Sale Agreement.....                    | 35 | 2018A Bonds.....   | E-1 |
| State Aid Intercept .....                              | 37 | APPENDIX F — Form of Continuing Disclosure                   |     |
| The Indenture .....                                    | 37 | Agreement.....   | F-1 |
| Debt Service Reserve Fund Not Applicable to the Series |    |  |     |
| 2018A Bonds .....                                      | 39 |  |     |
| Additional Bonds .....                                 | 39 |  |     |
| State Aid Depository Agreement.....                    | 39 |  |     |

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**\$67,265,000**  
**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHOOL FACILITY REVENUE BONDS**  
**(SYRACUSE CITY SCHOOL DISTRICT PROJECT) SERIES 2018A**

**INTRODUCTION**

**General**

This Official Statement sets forth certain information concerning the issuance and sale by the City of Syracuse Industrial Development Agency (the "*Issuer*") of \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "*Series 2018A Bonds*"). The Series 2018A Bonds will be secured by and issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the "*Indenture*" or the "*Series 2018A Indenture*") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "*Trustee*").

Certain capitalized terms used in this Official Statement which are not defined herein shall have the meanings assigned to them in APPENDIX B - "Summary of Definitions" attached hereto.

**Authorization**

The Series 2018A Bonds will be issued pursuant to the Issuer's enabling legislation constituting Title I of Article 18-A of the General Municipal Law of the State of New York (the "*State*") (enacted into law as Chapter 1030 of the Laws of 1969 of the State), and Title II of Article 18-A § 926 of the General Municipal Law of the State enacted into law as Chapter 641 of the Laws of 1979 of the State (collectively, the "*Act*"); and Chapter 58 Part A-4 of the Laws of 2006, as amended (the "*Syracuse Schools Act*"); and a resolution of the Issuer adopted January 16, 2018.

**Purpose of the Series 2018A Bonds**

Prior to the commencement of the comprehensive redevelopment program ("the *Program*") of the JSCB for public school buildings of the City School District of the City of Syracuse (the "*SCSD*"), the facilities of the SCSD had not been updated or improved in a number of years. The Syracuse Schools Act was enacted to encourage the City of Syracuse (the "*City*") and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing public schools within the City. See "THE PROGRAM."

Phase I of the Program consisted of design and/or reconstruction and rehabilitation of various existing school buildings and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD. Phase I was financed by the Issuer through several issues of its bonds in 2008, 2010, and 2011 (the Issuer's 2008 bonds were refinanced through the issuance of refunding bonds in 2017) as described below. See "PROGRAM FINANCINGS."

The Series 2018A Bonds are being issued by the Issuer for the purpose of financing a portion of the costs of Phase II of the Program consisting of design and/or reconstruction, construction and rehabilitation of existing school buildings including Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD in connection therewith (the "*Series 2018A Project*"). The proceeds of the Series 2018A Bonds will be applied to (i) finance a portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8

million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds.

### **The Program**

The Syracuse Schools Act was enacted and became legally effective April 1, 2006, authorizing Phase I of the Program for public school buildings of the SCSD, at a cost not to exceed \$225 million. The Program was adopted by the JSCB on February 28, 2008, amended on April 17, 2009 and approved by the Office of the State Comptroller on June 24, 2009 in accordance with §6 of the Syracuse Schools Act. Prior to the commencement of the Program, the facilities of the SCSD had not been updated or improved in a number of years. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing public schools within the City. The plans and specifications for the Program are being developed by the JSCB, which is acting on behalf of the City and the SCSD, pursuant to the aforementioned Syracuse Schools Act and an intermunicipal agreement dated April 1, 2004. Pursuant to the Syracuse Schools Act, the JSCB has been authorized to manage the design, reconstruction, construction and financing of the rehabilitation of existing public school facilities in the City, and to coordinate efforts for compliance with, the monitoring of, and the reporting on, a program-wide diversity plan for the Program. The JSCB retained the Gilbane Building Company, a privately held family run construction company founded in 1873 in Providence, Rhode Island, to be the independent program/construction management firm ("**Phase I Program Manager**") for Phase I of the Program, and to assist in the management of Phase I of the Program under the supervision of the City Engineer.

Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013. Such legislation authorized the City to provide interim financing for project costs from the proceeds of City obligations issued in anticipation of permanent financing from any source provided under the Syracuse Schools Act, and the reimbursement to the City for the payment of such obligations from any such source (including permanent financing issued through the Issuer for such purpose). The City currently has \$29.8 million total principal amount of its bond anticipation notes outstanding which were issued to provide such initial funding. Of these notes, \$14.8 million will mature on March 15, 2018 and are expected to be redeemed with a \$7,417,430 portion of the proceeds from the Series 2018A Bonds, together with \$6,862,570 proceeds from renewal bond anticipation notes to be issued by the City and \$520,000 current funds of the SCSD. The remaining amount of outstanding notes will mature on June 22, 2018 and are expected to be renewed by the City to continue to provide such interim financing for an additional portion of project costs until permanent financing is completed. Legislation was subsequently enacted on March 17, 2014 specifying 15 buildings to be included in Phase II. Phase II was adopted by the JSCB on January 29, 2015, amended on July 27, 2017 and approved by the Office of the State Comptroller on January 12, 2018 in accordance with §6 of the Syracuse Schools Act.

The JSCB selected Turner Construction Company ("**Phase II Program Manager**") as the Program Manager for Phase II of the Program on August 28, 2015. Turner Construction was founded 113 years ago and is a North America-based, international construction services company. With a staff of over 5,200 employees, the company completes \$10 billion of construction on 1,500 projects each year.

The Phase I Program Manager and Phase II Program Manager are collectively referred to hereinafter as the "**Program Managers.**"

A full copy of the Phase I and Phase II legislation may be obtained by visiting the JSCB's official website: <http://www.syrgov.net/JSCB>.

### **Program Financings**

On March 1, 2008, the Issuer issued \$49,230,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2008A (the "**Series 2008A Bonds**") to finance the following: (i) rehabilitation of, and the acquisition of equipment and furnishings for, Central Technical High School; and (ii) preparation of designs and specifications for reconstruction and rehabilitation of Blodgett School, Shea Middle School, Dr. Weeks Elementary, Clary Middle School, Fowler High School and H.W. Smith Elementary School (collectively referred to as the "**Original Series 2008 Project**").

On July 6, 2009, the Issuer amended the scope of the Series 2008 Project to include the payment of costs associated with the acquisition, construction, and installation of various improvements to the Fowler High School, H.W. Smith Pre-K-8 School, Dr. Weeks Elementary School, Clary Middle School and Shea Middle School (the "**Amended Series 2008 Project**", and together with the Original Series 2008 Project, the "**Series 2008 Project**").

On December 23, 2010, the Issuer issued \$31,470,000 aggregate principal amount of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2010 (the "**Series 2010 Bonds**") to finance an additional portion of the costs of the Phase I of the Program. The proceeds of the Series 2010 Bonds financed site work, exterior and interior building improvements and additions, and mechanical and electrical upgrades.

On July 12, 2011, the Issuer issued \$31,860,000 aggregate principal amount of its School Facility Revenue Bonds (Tax Exempt Bonds) (Syracuse City School District Project) Series 2011A and \$15,000,000 aggregate principal amount of its School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project) Series 2011B (collectively, the "**Series 2011 Bonds**") to finance an additional portion of the costs of the Phase I of the Program, including the completion of the Dr. Weeks Elementary School, the H.W. Smith Pre-K to 8 School and the Fowler Energy Performance Contract Project at Fowler High School.

On April 20, 2017 the Issuer issued \$29,260,000 aggregate principal amount of its School Facility Revenue Refunding Bonds (Syracuse City School District Project) Series 2017 (the "**Series 2017 Bonds**") for the purpose of (i) refunding all of the Issuer's outstanding School Facility Revenue Bonds (Syracuse City School District Project) Series 2008A (the "Refunded Bonds") and (ii) financing certain costs of issuance of the Series 2017 Bonds.

It is anticipated that funds required to complete Phase II and future phases of the Program will be derived, in part, through the issuance and sale from time to time of other series of bonds (together with the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds collectively referred to hereinafter as "**Project Bonds**") issued by the Issuer or other authorized issuer pursuant to separate or supplemental indentures of trust and bond resolutions (each, including the Indenture, being a "**Series Indenture**," and the trustee under each Series Indenture, including the Trustee, being a "**Series Trustee**"). It is further anticipated that the additional facilities to be financed from future series of Project Bonds will be made subject to a separate or amended license agreement or ground lease and a separate or amended lease agreement or a separate or amended installment sale agreement or similar instrument (each such separate lease agreement or installment sale agreement, including the Installment Sale Agreement, being a "**Series Facilities Agreement**").

## Structure of the Series 2018A Bonds

Pursuant to the License Agreement, dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee (the "**License Agreement**"), which was previously amended pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), a Third Amendatory License Agreement dated as of April 1, 2017, and a Fourth Amendatory License Agreement dated as of March 1, 2018, (the "**Fourth Amendatory License Agreement**" and together with the License Agreement, the Amendatory License Agreement, the Second Amendatory License Agreement, and the Third Amendatory License Agreement, collectively, the "**License Agreement**"), each among the Issuer, City and the SCSD, the City and the SCSD licensed to the Issuer certain existing school buildings within the SCSD and, pursuant to one or more bills of sale, conveyed title to the equipment to the Issuer (collectively, the "**Series 2008 Facilities**"). The Fourth Amendatory License Agreement will be entered into concurrently with the issuance of the Series 2018A Bonds and will have a term ending upon the later of completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project. Concurrently therewith, the Issuer will sell and assign its license interest under the License Agreement and a bill of sale in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. Installment Purchase Payments due from the SCSD and the City under the Installment Sale Agreement related to the Series 2018A Bonds, will equal principal and interest due on the Series 2018A Bonds, including the mandatory principal payments. Pursuant to §14(a) of the Syracuse Schools Act, the Board of Education for the SCSD shall be responsible for the maintenance and operation of the Series 2008 Facilities.

Pursuant to the Indenture, the Issuer will issue the Series 2018A Bonds for the benefit of the JSCB, to finance the costs of the Series 2018A Project, and reserves the right, upon request of the JSCB, to issue one or more Series of Additional Bonds under the Indenture for such purpose. The Series 2018A Project will be undertaken by the JSCB (as defined in the Installment Sale Agreement) on behalf of the City and the SCSD, as agent of the Issuer. Pursuant to the Program Manager Agreement (as defined in the Installment Sale Agreement) and §11 of the Syracuse Schools Act, the Phase II Program Manager shall manage all current projects undertaken pursuant to the Syracuse Schools Act, including providing construction consulting services at all stages of pre-development, development and construction of the Series 2018A Project.

## Security for the Series 2018A Bonds

Principal of and interest on the Series 2018A Bonds will be secured by: (i) installment purchase payments ("**Installment Purchase Payments**") made by the SCSD and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including the Bond Fund under the Indenture. In the event the SCSD or the City fails to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the New York State Comptroller (the "**State Comptroller**") of a certificate from the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold from the SCSD and the City any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS—State Aid Intercept" and "State Aid." The Syracuse Schools Act further provides that (x) any amount of state and/or school aid so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or

eliminating any program or programs of state and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

The obligations of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the New York State Legislature (the "**State Legislature**") and available to the SCSD and/or the City and appropriated by the City and approved by the SCSD for the payment of Installment Purchase Payments under the Installment Sale Agreement, and no liability on account thereof shall be incurred by the SCSD or the City beyond the amount of such State Aid to Education so available and appropriated; *provided, however*, that the failure of the SCSD and the City, for any reason (including a failure by the SCSD to budget and appropriate funds for Installment Purchase Payments, a failure by the City to approve a budget and appropriate funds providing for Installment Purchase Payments or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under the Installment Sale Agreement is deemed a failure to make a payment thereunder for purposes of the state and/or school aid intercept implementing provisions of the Syracuse Schools Act and the intercept provisions of the Indenture. Payment of State Aid to Education to the SCSD and/or the City is subject to annual appropriation by the State Legislature. Except to the extent limited as provided above, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional; and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, or recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction they might otherwise have against the Issuer, the Trustee, any purchaser of any Series 2018A Bond or any other person and whether or not any or all of the facilities financed with the proceeds of the Series 2018A Bonds are used or occupied by the City, the JSCB or the SCSD or available for use or occupancy by the City, the JSCB or the SCSD. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS," "BONDHOLDERS' RISKS - Additional Series of Project Bonds or Series of Additional Bonds" and APPENDIX D — "Summary of Certain Provisions of the Installment Sale Agreement."

The SCSD, the City and Manufacturers and Traders Trust Company, as depository bank (the "**Depository**"), have entered into a State Aid Depository Agreement, dated as of March 1, 2008 (the "**Depository Agreement**"), as previously amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "**First Amendment to State Aid Depository Agreement**") and together with the Depository Agreement, collectively, the "**State Aid Depository Agreement**"). In accordance with the State Aid Depository Agreement, the Commissioner of Finance of the City (the "**Commissioner of Finance**") and the President of the Board of Education of the SCSD have instructed the State Comptroller to pay all State Aid to Education directly to a designated fund (the "**State Aid Depository Fund**") held with the Depository. Provided the City and the SCSD have made an appropriation for the payment of Installment Purchase Payments under the Installment Sale Agreement, amounts in the State Aid Depository Fund will be transferred periodically to the Trustee for deposit in the Bond Fund established under the Indenture (and to each equivalent fund under each other Series Indenture), on a Ratable Basis, toward the payment of the Series 2018A Bonds and other series of Project Bonds outstanding under each other Series Indenture, and any balance remaining will be transferred to the SCSD. Amounts in the State Aid Depository Fund will be transferred by the Depository to the Bond Fund periodically on a Ratable Basis from each December 1 until each March 31 of each Fiscal Year (the "**Collection Period**") and will be credited against the obligation of the SCSD and the City to pay annual Installment Purchase Payments under the Installment Sale Agreement due on April 1 of each year. Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund during the Collection Period, amounts held in the

State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2018A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund under the Indenture.

Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture.

The State's 2017-2018 Enacted Budget provides for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, Board of Cooperative Educational Services and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Enacted Budget continues to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. In addition, the State's 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan. The amount of total state aid to education projected to be received by the SCSD in fiscal year ending June 30, 2018 is \$334.6 million, which is an increase of \$13.1 million, or 4.1%, compared to the amount budgeted for the 2016-17 fiscal year.

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During the Collection Period from December 1 until March 31 of each of the following fiscal years of the SCSD year, the SCSD received State Aid receipts for all funds in the following amounts:

**COLLECTION PERIOD RECEIPTS**

**(in millions)**

**Fiscal Year**

| <b>December 1<br/>Thru:</b> | <b>2010-11<sup>(1)</sup></b> | <b>2011-12<sup>(1)</sup></b> | <b>2012-13<sup>(1)</sup></b> | <b>2013-14<sup>(1)</sup></b> | <b>2014-15<sup>(1)</sup></b> | <b>2015-16<sup>(1)</sup></b> | <b>2016-17<sup>(1)</sup></b> |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>December 31</b>          | \$ 35.623                    | \$ 25.209                    | \$ 23.887                    | \$ 21.181                    | \$ 14.499                    | \$ 14.813                    | \$ 19.393                    |
| <b>January 31</b>           | 6.276                        | 20.496                       | 34.940                       | 43.194                       | 44.789                       | 29.575                       | 53.972                       |
| <b>February 28</b>          | 25.932                       | 25.104                       | 23.286                       | 23.311                       | 23.297                       | 26.772                       | 26,954                       |
| <b>March 31</b>             | <u>85.013</u>                | <u>82.760</u>                | <u>76.592</u>                | <u>77.249</u>                | <u>73.861</u>                | <u>85.303</u>                | <u>85.462</u>                |
| <b>Total</b>                | <u>152.844</u>               | <u>153,569</u>               | <u>158.705</u>               | <u>164.935</u>               | <u>156.446</u>               | <u>156.463</u>               | <u>185,781</u>               |

(1) Unaudited.

Source: SCSD Officials

No assurance can be given that the foregoing amounts of State Aid to Education will continue or be appropriated by the State in such amounts in future fiscal years. See "PROGRAM PARTICIPANTS - The SCSD and Board of Education," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS" and "BONDHOLDERS' RISKS — Competing Claims to State Aid," and APPENDIX A — "Certain Financial Information and Audited Financial Statements of the City School District of the City of Syracuse."

The amount of State Aid to Education paid to the SCSD is also dependent, in part, upon the financial condition of the State. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."

Pursuant to the Indenture and the Pledge and Assignment, the Issuer has assigned to the Trustee substantially all of its rights under the Installment Sale Agreement with respect to the Series 2018A Bonds, including the right to receive and collect the Installment Purchase Payments with respect to the Series 2018A Bonds (other than moneys payable for the Issuer's Reserved Rights) payable by the SCSD and the City thereunder. Pursuant to the Indenture and the Pledge and Assignment, the Issuer has also pledged and assigned to the Trustee for the benefit of the holders of the Series 2018A Bonds, substantially all of its right, title and interest in and to State Aid to Education and the funds, monies or securities held under the Indenture (other than amounts set aside and transferred to the Rebate Fund), including amounts held in the Bond Fund.

The Series 2018A Bonds are subject to optional redemption in accordance with the provisions of the Indenture. See "THE SERIES 2018A BONDS - Redemption of the Series 2018A Bonds."

THE SERIES 2018A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID TO EDUCATION PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT, THE SYRACUSE SCHOOLS ACT AND THE

INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AND/OR SCHOOL AID FROM THE SCSD AND THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE. THE ONLY SOURCE OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018A BONDS IS INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD OR THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID TO EDUCATION APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD AND/OR THE CITY AND APPROPRIATED BY THE CITY AND THE SCSD TO MAKE SUCH PAYMENTS, AND THE INTERCEPT BY THE STATE COMPTROLLER OF ANY STATE AND/OR SCHOOL AID PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PURCHASE PAYMENT DEFICIENCY.

Certain capitalized terms used in this Official Statement which are not defined herein shall have the meanings assigned to them in "APPENDIX B – Summary of Definitions"

Brief descriptions of the Issuer, the Series 2018A Bonds, the security for the Series 2018A Bonds, the Program, the Series 2018A Project, the City, the SCSD, the JSCB, and the Phase II Program Manager are set forth below or in the Appendices hereto. Summaries of certain financing documents are set forth below or in the Appendices hereto. Such summaries do not purport to be complete or definitive, each such summary is qualified in its entirety by reference to each such document for a complete description of all of the terms and provisions thereof, copies of which are on file with and are available at the offices of the Trustee, and no part of such summaries are to be construed as a representation or a guarantee of the accuracy or completeness by the Issuer other than the information under the captions "THE ISSUER" and "NO LITIGATION" (but only with respect to the Issuer) therein.

The Form of Opinion of Bond Counsel for the Series 2018A Bonds is set forth in Appendix E hereto. The Form of Continuing Disclosure Agreement with respect to the Series 2018A Bonds is set forth in Appendix F hereto.

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## THE PROGRAM

### Authorization

The Program has been developed by the JSCB, pursuant to the Syracuse Schools Act and an April 1, 2004 intermunicipal agreement between the City and the SCSD as amended, and encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD. There have been no new public schools built in the City during the past 30 years, and prior to Phase I of the Program many elementary and secondary schools in the City were in extremely poor physical condition. The Syracuse Schools Act was enacted to encourage the City and the SCSD to cooperatively undertake new and innovative ways of renovating, rehabilitating and financing existing public schools within the City. The Syracuse Schools Act authorized Phase I of the Program for various schools at a cost not to exceed \$225,000,000. The JSCB made the determination that a finance plan consisting of approximately \$151,000,000 of project funds for Phase I was sufficient for the projects to be undertaken in such Phase I. Phase I included extensive renovations to four SCSD school buildings (Central Tech, Fowler, HW Smith and Dr. Weeks), and minor renovations at two other SCSD buildings (Clary and Bellevue Academy at Shea). The JSCB has closed all Phase I projects.

Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013. Legislation was subsequently enacted on March 17, 2014 specifying 15 existing buildings to be included in Phase II. The first seven Phase II projects are approved by the Commissioner of NYSED and include the following: Bellevue Elementary, Ed Smith Pre-K-8, Frazer Pre-K-8, Grant Middle, Huntington Pre-K-8, Public Service Leadership Academy at Fowler and Westside Academy at Blodgett. Preliminary planning is underway for projects at the following school buildings: Clary, Corcoran, Danforth, Expeditionary Learning, Henninger, Nottingham and Shea. In addition to the issuance of the Series 2018A Bonds, the JSCB anticipates the issuance of additional tranches of bonds to complete the Phase II projects.

### Program Overview

With the assistance of the Phase I Program Manager, the JSCB has closed out Phase I of the Program for various schools identified herein and as authorized by the Syracuse Schools Act. It is anticipated that ongoing costs of Phase II and subsequent phases of the Program will be funded by the issuance of one or more series of Project Bonds under separate Series Indentures. The total cost to complete all Phases of the Program (I-IV) is currently estimated to be approximately \$1.2 billion. Phases III and IV will be subject to future authorization by the State Legislature.

The public school facilities of the SCSD have not been updated or improved in a number of years. While in generally sound structural condition, many of the school buildings are currently inadequate to meet current instructional requirements for delivering a 21st century education.

It is the expectation of the City and the SCSD that through the payment of a portion of State Aid to Education constituting building aid ("*State Building Aid*"), the State will reimburse a substantial portion of the cost to reconstruct existing schools, including costs associated with the Series 2018A Project. For information regarding projection assumptions see "PROGRAM PARTICIPANTS - SCSD Financial Plan."

### The Series 2008 Project

A portion of the Series 2008A Bonds financed the following: (i) rehabilitation of, and the acquisition of equipment and furnishings for, Central Technical High School (the "*Central Tech Project*") and (ii) preparation of designs and specifications (the "*Design Phase*") for reconstruction and

rehabilitation of Blodgett School, Shea Middle School, Dr. Weeks Elementary, Clary Middle School, Fowler High School and H.W. Smith Elementary School (the Central Tech Project and the Design Phase, are herein collectively referred to as the “*Original Series 2008 Project*”). On July 6, 2009, the Issuer amended the purposes to be financed with the proceed of the Series 2008A Bonds to include the acquisition, construction, and installation of various improvements to the Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H.W. Smith Elementary School and Fowler High School (the “*Amended Series 2008 Project*” and together with the Original Series 2008 Project, the “*Series 2008 Project*”).

### **The Series 2010 Project**

A portion of the Series 2010 Bonds provided additional financing for the general reconstruction of the Institute of Technology, Shea Middle School, Dr. Weeks Elementary School, Clary Middle School, Fowler High School, H.W. Smith Elementary School, including site work, exterior and interior building improvements and additions, and mechanical and electrical upgrades.

### **The Series 2011 Project**

The Series 2011 Project, included the completion of the 2011 Dr. Weeks Project, the 2011 H.W. Smith Project and the 2011 Fowler Project (collectively the “Series 2011 Project”). The construction start date for the Phase I of the Project was July 2009, and the construction completion date was December 2013.

The total final cost of all of Phase I was approximately \$151,000,000. All Phase I contracts are closed.

### **The Series 2017 Project**

The Series 2017 Project consisted of the refunding by the Issuer of all of the outstanding Series 2008A Bonds, through the issuance on April 20, 2017 of its Series 2017 Bonds.

### **Phase II of the Program**

The first seven Phase II projects are approved by the Commissioner of NYSED and include the following: Bellevue Elementary, Ed Smith Pre K-8, Frazer Pre K-8, Grant Middle, Huntington Pre K-8, Public Service Leadership Academy at Fowler and Westside Academy at Blodgett. Preliminary planning is underway for projects at the following school buildings: Clary, Corcoran, Danforth, Expeditionary Learning, Henninger, Nottingham and Shea. The total estimated project cost of Phase II is \$291,500,000.

The Series 2018A Bonds are being issued to finance the costs of the Series 2018A Project including design and/or reconstruction, construction and rehabilitation of Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre K-8 School and Grant Middle School and the acquisition of certain equipment, fixtures and furnishings for use by the SCSD at these schools. It is anticipated that permanent financing will occur in May 2018 for the projects at Public Service Leadership Academy at Fowler, Huntington Pre K-8 and Westside Academy at Blodgett.

It is anticipated that financing of the remaining projects will occur in the second quarter of 2019.

## **PROGRAM PARTICIPANTS**

### **The City**

The City is a municipal corporation and the fifth largest city in the State. The City encompasses a land area of 26 square miles in the north central portion of the State near Lake Ontario. According to

2016 interim data released by the U.S. Census Bureau, the City's population is 144,350 (a decline of 820 persons since the 2010 census).

The City, which was incorporated in 1848, operates under a Charter adopted in 1960 (the "Charter"). In accordance with its Charter, the City has a strong Mayor-Council form of government. The Mayor, as chief executive officer, is the head of the Executive Department and oversees all administrative functions. The Common Council performs all legislative duties.

The City is responsible for and provides the following general municipal services: police, fire, sanitation, street maintenance, parks and recreation, and property assessment. Air transportation is available at the Hancock International Airport, which is owned by the City and operated by the Syracuse Regional Airport Authority. The City operates a water system and is responsible for sewage collection. The County of Onondaga (the "County") provides sewage treatment. The City supports the cost of primary and secondary education expenditures, however, the SCSD is governed by an independently elected Board of Education whose members oversee the administration of the City's school system.

The Mayor is elected at a general election to serve a four-year term and may succeed himself / herself for one additional term. The current Mayor was elected in November 2017, and began his first four-year term on January 1, 2018. According to the City Charter, the Mayor is the chief executive officer of the City and appoints all department heads (except the City Auditor, who is elected) to serve at his or her pleasure. The Mayor is responsible for the day-to-day operations of the City government. The Common Council may override a mayoral veto subject to the terms and conditions specified in the Charter.

The Common Council is the legislative body of the City and consists of a Council President, four members elected at-large to serve four-year terms and five district members elected to serve two-year terms. It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, adopt and modify as required the City's operating and capital budgets, levy real property taxes and authorize the issuance of all indebtedness.

### **The SCSD and Board of Education**

The SCSD is governed by an independently elected seven-member Board of Education. Members are elected at-large to serve four-year terms; there is no restriction as to the number of terms that may be served. The Board of Education is responsible for managing the school system in accordance with the provisions of the State Education Law. A Superintendent of Schools is appointed by the Board of Education to administer policy and supervise the day-to-day activities of the SCSD. The SCSD prepares its own financial statements, which are audited separately from the financial statements of the City (the City and the SCSD utilize the same independent auditors). However, the City includes certain of the SCSD's statements in its financial statements.

The SCSD is primarily dependent upon the City for taxation and debt issuance. See "BONDHOLDERS' RISKS" herein. However, the SCSD receives significant portions of its operating budget from the State, the federal government and local sales tax collections. The Common Council of the City approves the budget of the SCSD but does not otherwise control the budget of the SCSD. According to the NYSED 2016-17 School Report Card of the SCSD, student enrollment for 2016-17 was 19,543 in grades K-12, which included ungraded elementary and ungraded secondary enrollments. In addition, the NYSED reported 1,749 students were enrolled in the SCSD's half and full day Pre-Kindergarten program for 2016-17. The SCSD operates 41 buildings, including 34 school buildings, and currently employs approximately 4,557 persons in full and part-time capacities, with 3,739 of these individuals represented through a collective bargaining unit. The following table sets forth certain actual and projected statistics relating to the school system.

**SCSD SYSTEM**  
**Fiscal Years June 30:**

|                                | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of Schools              | 33          | 33          | 35          | 35          | 35          | 34          |
| Student Enrollment*            | 19,763      | 20,328      | 20,084      | 19,951      | 19,625      | 20,136      |
| Instructional Staff** (1)      | 2,122.77    | 2,237.43    | 2,301.60    | 2,313.41    | 2,337.75    | 2,384.90    |
| Administrative Personnel (1)   | 128.35      | 132.60      | 151.85      | 154.74      | 158.60      | 151.60      |
| Non-Certified Personnel (1)(2) | 524.15      | 557.15      | 579.55      | 552.65      | 558.65      | 552.00      |

Source: SCSD Chief Financial Officer and the NYSED Student Information Repository System.

\* Includes enrollment in grades K-12 (including ungraded elementary and ungraded secondary schools). Excludes pre-K enrollment.

\*\* Instructional staff includes: teachers, teaching assistants, pupil services, adult education and instructional support staff.

(1) Paid from the SCSD General Fund, excludes personnel paid from federal grants or food service.

(2) Includes clerical, custodial, transportation, maintenance, instructional aides, exempt personnel and other full-time non-certified personnel.

### Charter Schools

A charter school can be a public school and is financed through public, local, State, or federal funds but is independent of local school boards. The authority of the charter school to provide education is through a “charter,” a type of contract, between the charter school board of trustees and one of the chartering entities that has been approved and issued by the Board of Regents. School districts in the State are required to pay an amount to the charter school for each resident pupil so enrolled that is equal to the approved operating expense per pupil of the school district. The exact amount payable for each pupil equals the product of the approved operating expense per pupil and the full-time-equivalent enrollment of the students in the charter school.

There are currently three charter schools operating in the City. Enrollments at these schools increased from 1,565 students in the 2016-17 school year to 1,801(projected) in the 2017-18 school year. According to SCSD officials, in 2017-18 charter school funding is \$12,930 per student for regular education, \$6,572 per student for 20% special education, and \$12,048 per student for 60% special education, for a projected total of approximately \$24.3 million. In the 2016-17 school year, the amount of charter school funding was \$12,430 per student for regular education, \$6,458 per student for 20% special education, and \$11,840 per student for 60% special education, for a total of \$19.7 million. Increases are due to increases in expected charter school enrollment.

### SCSD Budget — Year Ending June 30, 2018

The SCSD general fund budget for fiscal year ending June 30, 2018 that was submitted to the Mayor for inclusion in the Citywide budget, requested approval for total spending of \$427.7 million. Such budget was approved on May 8, 2017 by the Common Council at the City, after making certain line item changes and decreasing the aggregate spending amount to \$417.6 million. The Mayor approved the SCSD 2017-18 budget on May 22, 2017.

The SCSD 2017-18 general fund budget provides for total appropriations for operations of \$417.6 million, including other financing sources. Estimated revenue and financing sources for the budget with applicable percentages are as follows: State Aid to Education of \$334.6 million (80.1%); the City provides \$58.8 million, derived from property tax collections (14.1%) and \$6.5 million from School Tax Relief (1.6%); federal aid of \$1.69 million (0.4%); sales tax collections of \$0.6 million (0.2%) and

miscellaneous revenue of \$6.4 million (1.5%). The 2017-18 general fund budget of SCSD also includes an \$8.9 million appropriation of fund balance, 2.1% of total appropriations for the year.

The SCSD applies for, and historically has received, approval for a significant number of categorical State and federal grants. For 2016-17 the SCSD received \$74,468,404 in grants SCSD officials expect \$81,400,000 in such funds during 2017-18. These grants are accounted for in the SCSD’s “Special Revenue Fund” and are not part of the SCSD’s general fund budget. Of the \$74,468,404 in grants received in 2016-17, \$39,517,061 was from federal sources. SCSD officials expect that of the \$81,400,000 projected to be received during 2017-18, \$41,305,977 will be from federal sources. (see “BONDHOLDERS’ RISKS – Executive Order on Sanctuary Cities”)

Following is a summary of the adopted general fund budget for the fiscal year ending June 30, 2018:

**SUMMARY ADOPTED GENERAL FUND BUDGET  
FISCAL YEAR ENDING JUNE 30, 2018**

|  | <u>2017-18<br/>School District<br/>General Fund</u> |
|--|---|
| <b>ESTIMATED REVENUE:</b>                  |   |
| Real Property Taxes <sup>(1)(2)</sup>      | \$65,334,787  |
| Sales Tax                                  | 637,989   |
| Departmental Income                        | 150,000   |
| Use of Money and Property                  | 100,000   |
| Sale of Property and Compensation for Loss | 188,100   |
| State and Federal Aid                      | 336,312,977   |
| Other Revenue                              | 1,190,000   |
| Transfers In                               | <u>4,750,000</u>                                    |
|  | <u>408,663,853</u>                                  |
| <b>APPROPRIATION EXPENSE:</b>              |   |
| Operating Expenses                         | 393,037,341   |
| Debt Service & Transfers Out               | <u>24,526,512</u>                                   |
|  | <u>17,563,853</u>                                   |
| Excess (Deficiency)                        |   |
| Estimated Revenue Over Appropriations      | <u>(8,900,000)</u>                                  |
| <b>APPROPRIATED FUND BALANCE</b>           | <u><u>\$ 8,900,000</u></u>                          |

(1) Includes School Tax Relief Aid.

(2) See “BONDHOLDER’S RISK - Tax Levy Limitation Bill,” herein.

## **SCSD Financial Plan.**

The following section relating to the SCSD's financial plan was provided by SCSD officials.

The SCSD maintains a 5-year financial plan for the General and Special Aid Funds. Such plan includes projections for the fiscal years 2017-18 through 2021-22.

General Fund revenue is projected to grow in each year of the forecast. Revenue is projected to increase by \$13.74 million (3.4%) in 2018-19 and \$12.7 million (2.90%) in 2019-20. Thereafter annual revenue growth is projected at \$12.5 million (3.00%) in fiscal year 2020-21, and \$13.2 million (3%) in fiscal year 2021-22. Real property tax revenues are projected to remain relatively flat through fiscal year 2021-22. See "Tax Levy Limitation," herein. State Aid to Education, which currently makes up 80% of estimated revenue for the SCSD's General Fund budget, is projected to increase 3.3% in fiscal year 2018-19. Thereafter, State Aid is projected to increase 4.5% in 2019-20, 3.4% in 2020-21, and 3.3% in fiscal year 2021-22, based upon the SCSD's expectation that it will receive such aid. Based on the SCSD's assumptions, State Aid to Education would constitute approximately 84% of total general fund revenue by fiscal year 2021-22.

Funding for special aid programs is projected to be \$81.4 million in fiscal year 2017-18, and decline to \$67.2 million in fiscal year 2018-19 and \$64.9 million in 2019-20. Special aid revenue is projected to decrease to \$63.9 in 2020-21 and remain the same in 2021-22.

The SCSD plans to closely manage contractual services, health care expenses, and staffing in order control costs during the five years of the financial plan. Total full-time employment is anticipated to increase by 114 positions in 2017-18. Staffing is projected to remain constant or decline for the remainder of the forecast. The SCSD financial plan projects that \$8.9 million in fund balance will be used to balance the budget in 2017-18. Assigned and unassigned fund balance as of June 30, 2017 was \$43.8 million, and is projected to decline to \$34.9 million as of June 30, 2018 and decrease by \$8 million per year in 2018-19 and 2019-20, and by \$7 million in 2020-21. No use of fund balance is assumed in 2021-22

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The revenue and expenditure projections presented in the School District’s plan are as follows:

| <b>Financial Plan for the Years Ending 2018 – 2022</b> |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> |
|  | (000’s)        | (000’s)        | (000’s)        | (000’s)        | (000’s)        |
| <b>General Fund:</b>                                   |                |                |                |                |                |
| Revenue  | \$408.7        | \$422.4        | \$434.9        | \$447.6        | \$460.8        |
| Expenditures <sup>(1)</sup>                            | -417.6         | -430.4         | -442.9         | -454.6         | -460.8         |
| Use of Fund Balance                                    | 8.9            | 8.0            | 8.0            | 7.0            | 0.0            |
| <b>Projected Fund Balance</b>                          |                |                |                |                |                |
| June 30th <sup>(2)</sup>                               | \$34.9         | \$26.9         | \$18.9         | \$11.9         | \$11.9         |
| <b>Special Aid Fund:</b>                               |                |                |                |                |                |
| Revenue  | \$81.4         | \$67.2         | \$64.9         | \$63.9         | \$63.9         |
| Expenditures   | 81.4           | 67.2           | 64.9           | 63.9           | 63.9           |
| Use of Fund Balance                                    | \$0            | \$0            | \$0            | \$0            | \$0            |

(1) Staff positions increased by 114 in 2017-18. Staffing is projected to decrease or remain constant for the remainder of the forecast.

(2) Reflects both assigned and unassigned portion of fund balance.

The projections set forth in the SCSD’s 5-year financial plan are based on the expectations of SCSD officials about future events, economic performance and other items which are beyond the control of the SCSD. Such statements should not be construed as statements of fact and actual results may differ materially from the projections of SCSD officials.

Source: SCSD Officials.

## **Employee Benefit Plans**

### *General Information*

SCSD participates in the State and Local Employees’ Retirement System (“ERS”) and the State Teachers’ Retirement System (“TRS”). Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). 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 five years of credited service and are based on the projected unit credit method of valuation (see discussion of recently implemented Tier V, which increases vesting period to 10 years).

NYSRSSL provides that 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 (See below). Generally, all employees, except certain part-time employees, participate in the systems. ERS and TRS are generally noncontributory systems except that members with less than 10 years of credited service must contribute 3% of their salary for retirement benefits (However, see below for information on the recently implemented Tier V for new TRS and ERS members).

## **Retirement System Billing Procedures**

### *TRS*

TRS contributions are paid as a reduction in State Aid to Education payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

### *ERS*

The City's contributions to ERS historically were due on or before December 15 of each year, however legislation changed the date to February 1, effective February 2005 (see below). Such contributions are based on salary estimates for the fiscal year ending on March 31 of the next calendar year.

## **Pension Reform**

The State enacted pension reform legislation in 2003 and 2004, which changed the methods for determining contributions to ERS by participating member employers such as the SCSD and enacted certain other changes described herein.

Chapter 49 of the Laws of 2003 established minimum annual contributions to ERS and modified the billing cycles to better match the budget cycles of participating members. The valuation date for ERS was changed from April 1 in the year of contribution to April 1 of the second calendar year preceding the contribution due date. Employers now have better information for budgeting retirement costs as a result of the change in the valuation date. The legislation provided that minimum retirement contributions will be made by employers each year including for those years in which favorable investment returns would permit lower contributions.

Chapter 260 of the Laws of 2004 changed the due date for ERS contributions from December 15 to February 1, effective for contributions scheduled for payment on December 15, 2004 and thereafter. The period for amortizing excess contributions was increased from five years to ten years. ERS contributions were amortized through the State at market rates of interest determined by the State Comptroller. Alternatively, employers were authorized to issue taxable bonds to finance their eligible excess contributions. ERS members were authorized to amortize contributions due in 2006 and 2007 if such contributions exceed 9.5% and 10.5% of payroll, respectively. SCSD officials have indicated that all ERS contributions which were eligible for amortization were paid in full.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On September 1, 2016, the State Comptroller announced for Fiscal Year 2017-18, the average contribution rate for ERS decreasing from 15.5% to 15.3%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employee's salary base during the period of April 1, 2017 through March 31, 2018. Payments based on those rates are due by February 1, 2018, but may be prepaid by December 15, 2017.

**Retirement Contributions**

The SCSD adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. This statement required the addition of several lines to the SCSD government-wide financial statements and a cumulative change in accounting principle adjustment to net position as shown on page 21 of the audited financial statements for the fiscal year ended June 30, 2017.

The SCSD also adopted GASB Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement required accounting for the impact of the payment the SCSD made to the New York State Retirement Systems during the fiscal year on the SCSD's portion of net pension asset from TRS.

Deferred outflows of \$128.0 million and deferred inflows of \$11.3 million, an increase of \$83.2 million and a decrease of \$29.2 million, respectively from the prior year, were also recognized in the fiscal year ended June 30, 2017 in accordance with GASB Statement No. 68 and 71 for the SCSD's share of the ERS and TRS pensions.

See "Notes to Financial Statements" in the SCSD's audited financial statements for the fiscal year ended June 30, 2017.

For the years ended June 30, 2013 through 2017 and the amounts budgeted for 2018, the SCSD's contributions to the SRS are as follows:

| <u>Fiscal Year<br/>Ended June 30:</u> | <u>SCSD Contributions <sup>(1)</sup></u> |                   |
|---------------------------------------|--|-------------------|
|                                       | <u>ERS</u>                               | <u>TRS</u>        |
| 2013                                  | 6,596,280                                | 21,252,794        |
| 2014                                  | 6,769,452                                | 19,671,858        |
| 2015                                  | 5,816,753                                | 27,027,205        |
| 2016                                  | 5,655,864                                | 29,174,990        |
| 2017                                  | 5,408,869                                | 25,031,917        |
| 2018 (Budget)                         | <u>5,649,960</u>                         | <u>22,634,640</u> |

(1) Does not include City contributions.  
Source: The Audited Financial Statements and SCSD officials.

See "Notes to Financial Statements" in the audited financial statements for the fiscal year ended June 30, 2017.

**Accounting for Retirement Costs**

Effective for the fiscal year ended June 30, 2005, the City and the SCSD changed the method of accounting for retirement costs from a cash basis to an accrual basis.

In connection with the conversion to full accrual accounting for retirement benefits, the SCSD received a \$5 million special apportionment of State Aid to Education provided to mitigate the effects of this change. The SCSD repaid the special apportionment of State Aid to Education in September 2005 and no further aid apportionments were required to make the transition to accrual accounting for retirement expenses.

### **Post Employment Benefits**

In addition to providing pension benefits, the SCSD provides certain health care benefits to retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by SCSD may vary according to length of service. Substantially all of the SCSD's employees may become eligible for those benefits if they reach normal retirement age while working for SCSD. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

In June 2004, the Government Accounting Standards Board ("GASB") has issued its Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (the "GASB 45 Statement") which requires governmental employers to measure and disclose an amount for annual other postemployment benefits ("OPEB") on an accrual basis of accounting. Under the proposed new standards, annual OPEB costs would be equal to the employer's required annual contribution ("ARC"), with certain adjustments for past under-or over OPEB contributions. The ARC is defined as the required contribution including normal costs and charges for unfunded actuarial liabilities, which may be amortized over a period not to exceed thirty years. The GASB 45 Statement first applied to the SCSD for the fiscal year ended June 30, 2008.

#### *Actuarial Valuation Report*

The SCSD separately engaged an actuarial firm to value the other postemployment benefits with respect to their employees. Such valuation was completed and the actuary's report issued. The report was prepared as of July 1, 2015 and forms the basis of the information required by GASB 45 to be reported in the SCSD's entity wide statements for the year ended June 30, 2017. Pursuant to the valuation, the SCSD's accrued actuarial liability ("AAL") is approximately \$602,635,036 and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$228,301,311 and the ratio of the liability to the covered payroll was 263.96%. The SCSD's ARC for 2017 was \$51,026,363. The annual OPEB cost for fiscal 2017, which includes the ARC, interest on net OPEB obligations (\$18,483,451) and an adjustment to the ARC (minus \$26,722,495), was \$42,787,319. After deducting contributions made of \$18,540,725, the net increase in the SCSD net OPEB obligation for the year was \$24,246,594. See "Notes to Financial Statements- Note 8" (page 49) in the audited financial statements of the SCSD for the fiscal year ended June 30, 2017.

In the most recent actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.00% investment rate of return, which is based on the portfolio of the SCSD's general assets used to pay these benefits and an annual health care cost trend rate of 7.25% initially, decreasing to 3.89% after sixty years for Pre-65 individuals and 5.70% initially, decreasing to 3.89% for Post-65 individuals after sixty years. The prescription cost trend begins at 10.50% initially and decreases to 3.89% after sixty years. The Medicare Part B cost trend begins at 5.70% initially and decreases to 3.89% after sixty years. Both rates include a 2.25% inflation assumption. The UAAL is being amortized based on a level percentage of projected payroll on an open basis. The remaining amortization period as of June 30, 2017 was 30 years.

The funding status of the SCSD's retiree medical program is as follows:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL) -<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) |
|--------------------------------|--|--|------------------------------------|--------------------------|
| 07-01-15                       | \$ -0-                                 | \$602.6 M  | \$602.6 M                          | 0.0%                     |

See "Schedule Of Funding Progress For Postemployment Benefits For The Year Ended June 30, 2017" (page 53) in the audited financial statements of the SCSD for the fiscal year ended June 30, 2017.

### The JSCB

The JSCB has been authorized by the Syracuse Schools Act, in conjunction with the Issuer, to assist in the reconstruction, equipping and furnishing of public schools in the City which is commonly referred to as the planned comprehensive SCSD wide reconstruction program. The JSCB has completed Phase I of this program and is currently undertaking Phase II. Phases III-IV of the reconstruction program are contingent upon State authorization (See "The Program" herein).

The JSCB is comprised of seven (7) Board Members, consisting of: the Mayor, the Superintendent of the SCSD, three (3) additional members appointed by the Mayor, and two (2) additional members appointed by the Superintendent of the SCSD.

### New York State Education Department

The management, regulation and funding of the SCSD is subject to the review of the New York State Education Department (the "SED"). The SED has also determined State Building Aid reimbursement for improvements to school facilities undertaken in accordance with the Program. The SED is the administrative agency of the Board of Regents (the "Board of Regents") of the University of the State of New York (the "University"). The Board of Regents was established by an act of the State Legislature in 1784 and is vested with constitutional responsibility for determining and formulating State educational policy. The University, over which the Board of Regents presides, is a corporation authorized to charter, review and regulate educational institutions and activities within the State. The University encompasses all State educational programs, from kindergarten through graduate and professional schools and includes libraries, museums and other related cultural and educational institutions as may be admitted to the University or incorporated by the Board of Regents. It consists of almost 6,000 elementary and secondary public and private schools and 250 independent and public colleges and universities.

### The Program Manager

Pursuant to the provisions of the Syracuse Schools Act, the Phase I and Phase II Program Managers (the "Program Managers") were selected by the JSCB to implement the first two phases of the Program under the supervision of the City Engineer. Pursuant to the respective Program Manager Agreement for the Program Managers, the Program Managers are obligated and required to provide construction consulting and oversight services for the JSCB with respect to all stages of predevelopment, development, construction and reconstruction with regard to Phase I and Phase II of the Program.

Specifically, the Program Managers have the duty to manage and oversee all aspects of all projects undertaken pursuant to the Syracuse Schools Act, to wit: (1) develop and implement procedures for projects undertaken and contracted for by the JSCB; (2) review plans and specifications for such projects; (3) develop project budgets and assist the JSCB; (4) create a training program to ensure a supply of skilled labor for the Program; (5) execute and manage a project labor agreement if required by the JSCB; and (6) provide construction management services for the Program. The Program Managers will present all contract or payment requests to the City Engineer for preliminary review and approval. The City Engineer will then, after being satisfied that all contract conditions have been met, forward each requisition with respect to the Program to the JSCB for approval in summary form.

**State Aid to Education**

*General*

The SCSD receives substantial financial assistance from the State. For the 2017-18 fiscal year, the SCSD’s general fund budget includes approximately 80.1% of its estimated revenues in the form of State Aid to Education, including other financing sources. State Aid to Education for public schools comes primarily from the State’s general fund wherein the major revenue source is the State income and sales taxes. The balance of State Aid to Education for public schools comes from a special revenue fund account supported by lottery receipts.

The following table sets forth the total amount of State Aid to Education received by the SCSD for fiscal years ended June 30, 2007 through 2017 and the amount included in the budget for the 2017-18 fiscal year and the proposed Executive Budget for the 2018-19 fiscal year:

| State Aid to Education<br>For Fiscal Years June 30:<br>(000’s) |   |
|--|---|
| Year   | State Aid to Education<br>Received <sup>(1)</sup> |
| 2007   | \$190,955   |
| 2008   | 246,283   |
| 2009   | 267,367   |
| 2010   | 251,804   |
| 2011   | 245,158   |
| 2012   | 254,117   |
| 2013   | 285,209   |
| 2014   | 285,290   |
| 2015   | 285,722   |
| 2016   | 296,187   |
| 2017   | 320,555   |
| 2018 (Budget)  | 334,628   |

*Source: SCSD Officials*

(1) Excludes School Tax Relief (“STAR”) aid.

The aggregate of estimated maximum annual Installment Purchase Payments with respect to all Project Bonds outstanding and the Series 2018A Bonds is \$17,809,503.13.

The amount of State Aid to Education estimated to be received by the SCSD in the fiscal year ending June 30, 2018 is \$334.6 million and has averaged approximately \$294.6 million over the five fiscal years ended June 30, 2017.

No assurance can be given that the amount of State Aid to Education will continue or be available in these amounts in future fiscal years. (See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment" and "APPENDIX A — Certain Financial Information and Audited Financial Statements of the Board of Education of the City School District of the City of Syracuse.")

Beginning with the 2007-08 fiscal year, the majority of State Aid to Education received by the SCSD has been "Foundation Aid." Foundation Aid was established by the 2007-08 State budget and combined four categorical aid grants with certain other formula aids. Formula aids consist of State Aid to Education determined in accordance with an application submitted to SED, which incorporates required data concerning district enrollment, attendance and approved expenditures. As a result of poor economic conditions then affecting the State, no increase in Foundation Aid was received by the SCSD in fiscal years 2009-10, 2010-11, or 2011-12. The SCSD received its first increase in Foundation Aid since 2008-09 with the adoption of the 2012-13 New York State Budget and has since received increases each year. Foundation Aid may decline in the future and no assurance can be given that Foundation Aid will continue at its current level. In addition, no assurance can be given that other categories of State Aid to Education will continue at current levels or will increase in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."

The receipt of Foundation Aid is dependent upon, among others, satisfaction of certain monitoring and expenditure requirements. In addition, within Foundation Aid there are stipulations that the SCSD must use a formula-based amount on new programs, or expansion of existing programs, to improve student achievement, as outlined in the Contract for Excellence ("CFE"). For fiscal years 2016-17 and 2017-18, the total CFE set-aside is expected to be \$12.7 million for each fiscal year. In addition to the CFE set aside, the SCSD 2016-17 budget included a new component of Foundation Aid which includes a \$10.2 million set aside for community schools. In 2017-18 the budgeted community schools set aside is \$11.7 million. Such set aside contains spending requirements and restrictions similar to those in the Contract for Excellence.

Another State Aid to Education category, Charter School Transitional Aid, was established in the 2007-08 State Budget to help provide relief from the financial drain caused by the significant number of charter school students in certain school districts, including the SCSD. This aid continues on a rolling basis so long as charter school enrollment continues to increase. The following table indicates the amount of Charter School Transitional Aid received by the SCSD in each of the fiscal years June 30, 2012 through 2017, and as budgeted for 2018.

| <u>Fiscal Year:</u> | <u>Charter School<br/>Transitional Aid:</u> |
|---------------------|---|
| 2012                | \$1,708,376                                 |
| 2013                | 2,488,598                                   |
| 2014                | 2,238,068                                   |
| 2015                | 1,453,074                                   |
| 2016                | 2,152,172                                   |
| 2017                | 1,589,032                                   |
| 2018 (Budget)       | 2,063,380                                   |

In addition to Charter School Transitional Aid, beginning with the fiscal year 2015-16, the State established another aid category called Charter School Supplemental Tuition Reimbursement, which reimburses the SCSD for any amounts in base tuition paid in the prior year that exceed the 2010-11 base

tuition of \$11,930 per pupil. The SCSD received Charter School Supplemental Tuition Reimbursement in the amount of \$0.4 million in fiscal year 2015-16 or \$256 per charter school pupil. In 2016-17 this aid was \$0.5 million or \$350 per charter school pupil. In 2017-18 this aid is budgeted to be \$0.8 million or \$500 per charter school pupil.

The SCSD receives State Aid to Education in multiple installments throughout its fiscal year based on a formula established by SED. Cash distributions of this aid are net of the SCSD's required contributions to the Teachers' Retirement System, which are generally withheld for distributions in the months of September, October and November.

The 2017-18 Enacted State Budget included a provision linking the payment of additional State Aid to compliance with a modified teacher evaluation process which provides that school districts will not be eligible for aid unless they have negotiated the optional components of evaluations with their local unions and obtained State approval by September 1, 2017. The SCSD is in compliance with the modified teacher evaluation process.

Payment of State Aid to the SCSD may be withheld due to the failure of the City or the Board of Education to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes. In addition, the State may withhold aid if the SCSD fails to meet the deadline for submitting its independent audit report to the State Education Department. Pursuant to Section 2116-a of the Education Law, the SCSD must file such report no later than January 1<sup>st</sup>, however, the State has granted school districts a 30-day "grace period" before aid is withheld. The SCSD filed its report for fiscal year 2016-17 within such grace period. The City and the Board of Education believe that they are in material compliance with all other requirements and have made the necessary debt service appropriations.

As stated below under "State Aid Intercept," in the event the SCSD and the City fail to make an Installment Purchase Payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that upon receipt by the State Comptroller of a certificate from the Trustee on behalf of the Issuer stating the amount of such failed payment, the State Comptroller shall withhold any State and/or school aid from the SCSD and the City payable thereto to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld. The Syracuse Schools Act provides that (x) any amount of State and/or school aid paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State and/or school aid, and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State and/or school aid at any particular level or amount. No assurance can be given that present State and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. If in any year the State fails to adopt its budget in a timely manner, municipalities and school districts in the State, including the City and the SCSD, may be adversely affected by a delay in the payment of State and/or school aid.

#### *State Building Aid*

A portion of State Aid received each year by the SCSD constitutes State Building Aid. State Building Aid is available for certain approved capital improvements to school buildings housing elementary and/or secondary students, and for school bus garages. A project is not eligible for aid unless



the construction costs of the project are equal to or exceed \$10,000, excluding incidental costs. Consistent with Section 3602, subdivision 6 of the Education Law, construction may include the construction of new buildings or additions, alterations and the reconstruction of existing facilities.

The purpose of State Building Aid is to assure that each school district provides suitable and adequate facilities to accommodate its students and programs. To this end, new facilities, new buildings, additions, major alterations must meet specific standards pertaining to the type, size and number of teaching stations, as well as building code requirements. Existing facilities must meet health and safety regulations, and reconstruction of existing facilities must meet building code requirements.

The Commissioner of Education must approve plans and specifications for the capital construction projects undertaken by the SCSD. This charge is administered by the Office of Facilities Planning pursuant to Section 408 of the Education Law and Part 155.2 of the Regulations of the Commissioner of Education.

Eligibility for new construction is determined through an assessment of information contained in the SCDC's long-range plan, and includes educational need, a comparison of pupil enrollment projections, and the rated pupil capacity of existing buildings. In the case of school buildings, State Building Aid is a function of the pupil capacity assigned to the capital construction project.

The SCSD received a building aid ratio of 98% from the State on eligible expenses for Phase I projects. State Building Aid fluctuates from year to year based on a number of factors, including the ratio of the City's wealth to the State's average wealth. Currently, SCSD State Building Aid is at 98% for new projects, which SCSD officials anticipate will be the building aid ratio for eligible Phase II projects.

**The State is not obligated to continue to make State Building Aid payments. No assurance can be given that State Building Aid will continue to be received by the SCSD or the City or, if received, will be in amounts comparable to the amounts of State Building Aid received by the SCSD or the City in the past. State budgetary restrictions could eliminate or substantially reduce State Building Aid in the future. See "BONDHOLDERS' RISKS - The State's Financial Condition, Reduced State Aid, Delayed Payment."**

Pursuant to Chapter 383 of the Laws of 2001 ("Chapter 383"), certain provisions of the Education Law have been amended to impose an "assumed amortization schedule" on certain debt incurred by the City for school construction purposes and to thereby revise the manner in which State Building Aid is to be paid to the SCSD with respect to school debt in fiscal years commencing July 1, 2002. Chapter 383 requires that the State Education Department reset the interest rate used to calculate the "assumed amortization schedule" at least once every 10 years. The State's 2017-18 Enacted Budget provides for the reset to be postponed until the State's 2017-18 Fiscal Year. The SCSD has applied for a partial waiver from the interest rate reset for the 2017-18 fiscal year.

Subject to certain limited exceptions, assumed amortization for capital construction projects approved by the Commissioner of SED on and after July 1, 2011 will begin on the later of 18 months after SED approval or when the final cost report and certificate of substantial completion have been received by SED.

### **New York State Budget Process**

*The following discussion is included because all payments under the Installment Sale Agreement will be derived from State Aid to Education, which State Aid to Education is subject to annual appropriation by the State Legislature.*

The State's budget process is based on an executive budget system under which the Governor is required by the State Constitution to seek and coordinate requests from agencies of the State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the State Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months, until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

#### *Agency Budget Preparation (June–September/October)*

The formal budget cycle begins when the Budget Director (the "Budget Director") of the Division of the Budget of the State (the "Division of the Budget") issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the Issuer heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget.

#### *Division of the Budget Review (September/October–December)*

Agencies typically submit their budget requests to the Division of the Budget in September or October, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of agencies for which they have responsibility. In November, the Budget Director conducts a series of constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an "on-the-record" opportunity to raise critical questions on programs, policies and priorities.

Through late November, the Division of the Budget's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Budget Director. The staff also prepares the appropriation bills and any other legislation required to carry out these recommendations. By early December, the Division of the Budget will normally have completed its recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepares the tables and the narrative that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

#### *The Governor's Decisions (November–January)*

The Governor and staff, who are also preparing the annual message to the State Legislature (the "State-of-the-State" message which the Governor presents to the State Legislature when it convenes in January), are conversant with the budget throughout its development.

#### *Legislative Action (January–March)*

The Governor typically submits the Executive Budget to the Legislature in mid-January or following a gubernatorial election year, by February 1, along with the related appropriation, revenue and other budget bills concerning State operations, aid to localities, capital projects and debt service. The State's Five-Year Capital and Financing Plan is also submitted with the Executive Budget. Within 10 days, the Division of the Budget provides the State Legislature with additional financial information

supporting the Executive Budget. A three-year financial projection is submitted no later than 30 days following submission of the Executive Budget.

The Legislature, primarily through its fiscal committees - Senate Finance and Assembly Ways and Means - then analyzes the Executive spending proposals and revenue estimates, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Following that review, the State Legislature acts on the appropriation bill submitted with the Executive Budget to reflect its decisions.

The appropriation bills, except for those items which were added by the State Legislature and the appropriation for the State Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the State Legislature and Judiciary and may use the line item veto to disapprove items added by the State Legislature. As provided in the Constitution, the State Legislature may override the Governor's veto by the vote of two-thirds of the members of each house. The passage of the appropriation bills provides a legal foundation for the disbursement of funds during the new fiscal year.

#### *Budget Execution (March)*

At this point the budget process enters a new phase-budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the State Legislature, as required by law, in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year.

#### *Possible Delays in Budget Enactment*

While the Enacted State Budgets were timely adopted, in the past, adoption of State budgets for the last five State fiscal years has been significantly delayed beyond the time frames outlined above. Any delay in adoption of the State budget could delay the payment of State Aid to Education to municipalities and school districts in the State, including the SCSD and the City, which could, in turn, adversely affect the ability of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement. See "BONDHOLDERS' RISKS — The State's Financial Condition, Reduced State Aid, Delayed Payment."

#### *Revenue Anticipation Notes*

The City issues revenue anticipation notes each year on behalf of the SCSD. Such notes are issued in anticipation of State Aid to Education estimated in the general fund budget of the SCSD. Proceeds of revenue anticipation notes may be used only for operating purposes and may be used to redeem or renew outstanding notes.

Pursuant to Section 25.00(g) of the Local Finance Law, generally, whenever the amount of revenue anticipation notes outstanding equals the amount of revenue remaining to be received, the City is required to set aside in a special bank account all of such moneys as received thereafter, and to use the amounts so set aside only for the purpose of paying such notes. Interest on the notes is provided from budget appropriations.

Revenue anticipation notes may be renewed from time to time, however, such renewals may not be extended beyond the close of the second fiscal year succeeding the fiscal year in which the notes were originally issued. In the event such revenue has not been fully received by the final maturity dates of the notes issued in anticipation thereof, the principal of and interest on the notes is required to be paid from other available City moneys. The faith and credit of the City are required to be pledged to the payment of principal of and interest on these notes.

The City issued \$51,805,000 revenue anticipation notes on behalf of the SCSD on October 5, 2017 in anticipation of State Aid to Education for the 2017-18 fiscal year. Such notes are payable on June 29, 2018. The SCSD anticipates another cash flow borrowing in the fall of 2018. Over the past five fiscal years, including 2017-18, the City has issued an average of \$53.6 million revenue anticipation notes each year for SCSD purposes.

The State Aid Depository Agreement provides that notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustee and the Trustee, upon receipt of written instructions from the City together with an accompanying monthly payment schedule indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the repayment of the outstanding revenue anticipation notes issued by the City on behalf of the SCSD (the "RAN Repayment Requirement"), then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the principal amount of such RAN Repayment Requirement then outstanding. Notwithstanding the foregoing, in the event the SCSD or the City shall fail to pay an Installment Purchase Payment under the Installment Sale Agreement, the intercept provisions of the Syracuse Schools Act and the Indenture will operate to intercept any state and/or school aid payable to the City or the SCSD to the extent of such deficiency prior to the payment of such state and/or school aid to the SCSD or the City in accordance with the State Aid Depository Agreement. Accordingly, such state and/or school aid will be intercepted to pay Installment Purchase Payments under the Installment Sale Agreement prior to its application by the City to the payment of outstanding revenue anticipation notes of the City.

## **THE ISSUER**

The City of Syracuse Industrial Development Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State. The Series 2018A Bonds are authorized and issued by the Issuer under the provisions of the Constitution and Laws of the State, particularly the Act and the Syracuse Schools Act.

The Issuer is comprised of five members. The following are the members of the Board of Directors of the Issuer:

Michael Frame – Chairman  
Stephen P. Thompson – Vice Chairman  
Kenneth J. Kinsey – Member  
Rickey T. Brown – Secretary  
Kathleen Murphy – Treasurer

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## PLAN OF FINANCING

The proceeds of the Series 2018A Bonds will be used to (i) finance a portion of the costs of the Series 2018A Project; (ii) refinance at maturity on March 15, 2018 a \$7,417,430 portion of the City's \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) fund capitalized interest for the Series 2018A Project; and (iv) finance certain costs of issuance of the Series 2018A Bonds. The total cost of the Series 2018A Project is estimated to be approximately \$76.8 million. Proceeds of the Series 2018A Bonds will be disbursed by the Series 2018A Trustee to pay a portion of the costs of the Series 2018A Project based on requisitions submitted to the Series 2018A Trustee in accordance with the Indenture.

Capitalized interest will be deposited in the Bond Fund under the Indenture and will be applied to the payment of interest on the Series 2018A Bonds through and including May 1, 2019.

## SOURCES AND USES OF FUNDS

### Sources of Funds

#### Series 2018A Bonds

|  |                        |
|--|------------------------|
| Principal Amount of Series 2018A Bonds | \$67,265,000.00        |
| Original Issue Premium                 | <u>9,532,508.65</u>    |
| Total Sources of Funds                 | <u>\$76,797,508.65</u> |

### Uses of Funds

|                                     |                        |
|-------------------------------------|------------------------|
| Project Fund                        | \$63,999,097.51        |
| BAN Principal Redemption            | 7,417,430.00           |
| Capitalized Interest <sup>(1)</sup> | 3,671,325.48           |
| Costs of Issuance <sup>(2)</sup>    | <u>1,709,655.66</u>    |
| Total Uses of Funds                 | <u>\$76,797,508.65</u> |

(1) Through and including May 1, 2019 for the Series 2018A Project.

(2) Includes Issuer fee, State Bond Issuance Charge, underwriters' discount and certain other costs.

## THE SERIES 2018A BONDS

### General

The Series 2018A Bonds will be initially issued in book-entry-only form as a single authenticated fully registered certificate for each maturity of each series of the Series 2018A Bonds. See "THE SERIES 2018A BONDS—Registration and Payment—Book-Entry System."

The Series 2018A Bonds shall be dated, mature on the dates and in the principal amounts, and bear interest payable on the dates and at the annual rates, as set forth on the inside cover page hereto.

Interest on the Series 2018A Bonds shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2018A Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

The principal or Redemption Price of the Series 2018A Bonds shall be payable at the principal corporate trust office of the Trustee in Buffalo, New York or at the corporate trust office of any successor Paying Agent. Interest on the Series 2018A Bonds shall be payable to the Person whose name appears on the registration books of the Trustee as the registered owner thereof on the Record Date next preceding the Interest Payment Date: (1) by check or draft mailed on the Interest Payment Date to the registered owner; or (2) by wire or bank transfer on the Interest Payment Date to any owner of at least \$1,000,000 in original aggregate principal amount of the Series 2018A Bonds, upon written notice provided by the owner to the Trustee not later than five (5) days prior to the Record Date for such interest payment (which request will remain in effect until revoked); except that, if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date with respect to the Series 2018A Bonds, the defaulted interest shall be paid to the owners in whose names the Series 2018A Bonds are registered at the close of business on a special record date to be fixed by the Trustee, which date shall not be more than fifteen (15) nor less than ten (10) days next preceding the date of payment of the defaulted interest. Interest payments made by check or draft shall be mailed to each owner at his or her address as it appears on the registration books of the Trustee on the applicable Record Date or at such other address as he or she may have filed with the Trustee for that purpose and appearing on the registration books of the Trustee on the applicable Record Date. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his or her notice requesting payment by wire transfer.

#### **Exchange of Series 2018A Bonds**

The holders of any Series 2018A Bonds may surrender the same, at the principal corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Series 2018A Bonds of any of the authorized denominations of the same maturity and maturities as the Series 2018A Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to: (i) transfer or exchange any Series 2018A Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2018A Bonds to be redeemed; or (ii) transfer or exchange any Series 2018A Bonds selected, called or being called for redemption in whole or in part.

#### **Transfer of Series 2018A Bonds**

Each of the Series 2018A Bonds is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee by the registered owner thereof in person, or by his duly authorized attorney-in-fact, upon surrender of such Series 2018A Bond (together with a written instrument of transfer in the form appearing on such Series 2018A Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Series 2018A Bond in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the SCSD, the City, the JSCB, the Bond Registrar, the Trustee and the Paying Agent may deem and treat the person in whose name a Series 2018A Bond is registered as the absolute owner thereof for the purpose of receiving payment of, or on

account of, the principal or Redemption Price thereof and interest due thereon and for all other purposes whatsoever.

### **Redemption of the Series 2018A Bonds**

#### *Optional Redemption of the Series 2018A Bonds*

The Series 2018A Bonds maturing on or prior to May 1, 2026 are not subject to redemption prior to the maturity thereof.

The Series 2018A Bonds maturing on and after May 1, 2027 are subject to redemption, in whole or in part, at any time on or after May 1, 2026 (but if in part in integral multiples of \$5,000), at the option of the Issuer (which option shall be exercised upon the giving of notice by an Authorized Representative of the City of its intention to prepay Base Installment Purchase Payments due under the Installment Sale Agreement), at the Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued to the date of redemption.

#### *Mandatory Redemption of the Series 2018A Bonds*

The Series 2018A Bonds shall be redeemed at any time in whole or in part (but if in part in integral multiples of \$5,000) by lot prior to maturity in the event and to the extent: (i) excess Bond proceeds shall remain after the completion or abandonment of the Series 2018A Project; or (ii) moneys are transferred to the Bond Fund pursuant to Article V of the Indenture or paid to the Trustee pursuant to the Installment Sale Agreement for deposit into the Bond Fund upon receipt of property insurance or condemnation proceeds or proceeds of a conveyance of one or more Facilities in lieu of condemnation, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018A Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

### **Selection of Series 2018A Bonds to be Redeemed**

If the Series 2018A 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 Series 2018A Bonds, the Issuer will cause notice of redemption to be given in accordance with the provisions of the Indenture. The selection of the book-entry interests within each Series 2018A Bond maturity to be redeemed will be done in accordance with the provisions of the Indenture and DTC procedures.

### **Redemption Procedures**

If any of the Series 2018A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Series 2018A Bond to be redeemed at the address for such owner shown on the registration books. All Series 2018A Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Series 2018A Bonds called for redemption shall become due and payable on the redemption date, *provided, however*, that with respect to any general optional redemption as described above, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2018A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2018A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be



made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of redemption shall be unconditional or, if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2018A Bonds so called for redemption at the place or places of payment, such Series 2018A Bonds shall be redeemed.

So long as the Securities Depository is effecting book-entry transfers of the Series 2018A Bonds, the Trustee shall provide the notices specified in the paragraph above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018A Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise), to notify the Beneficial Owner of the Series 2018A Bond so affected shall not affect the validity of the redemption of such Series 2018A Bond.

### **Registration and Payment — Book-Entry System**

Beneficial ownership interests in the Series 2018A Bonds will be available in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Series 2018A Bonds will not receive certificates representing their interests in the Series 2018A Bonds purchased.

DTC will act as securities depository for the Series 2018A Bonds. The Series 2018A 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 or more fully-registered Bond certificates will be issued and deposited with DTC for each principal amount of each series of Series 2018A Bonds maturing on a specified date and bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2018A Bonds.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018A 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 purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, 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 2018A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in Series 2018A Bonds, except in the event that use of the book-entry system for the Series 2018A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A Bonds are credited, which may or may not be the Beneficial Owners. The Direct or 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. Beneficial Owners of Series 2018A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2018A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018A Bonds. For example, Beneficial Owners of Series 2018A Bonds may wish to ascertain that the nominee holding the Series 2018A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2018A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2018A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 Series 2018A Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption, distributions, and interest payments on the Series 2018A 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 Issuer or the Trustee, on 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 Issuer, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate 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.

The Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2018A Bonds registered in its name for the purpose of payment of the principal of, or interest on such Series 2018A Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Series 2018A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Trustee will not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2018A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Issuer (kept by the Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or interest on the Series 2018A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges provided in the Indenture; or other action taken by DTC as a registered owner. The Trustee will forward interest and principal payments to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE SERIES 2018A BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE SERIES 2018A BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE" HEREIN) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

For every transfer and exchange of beneficial ownership of the Series 2018A Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Series 2018A Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018A 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 the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series 2018A 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. NONE OF THE ISSUER, THE UNDERWRITERS, OR 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 2018A BONDS.

NEITHER THE ISSUER, THE SCSD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2018A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF THE SERIES 2018A BONDS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2018A BONDS.

#### **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS**

##### **General**

The City and the SCSD will grant a license interest to the Series 2008 Facilities to the Issuer pursuant to the Fourth Amendatory License Agreement, to permit the Issuer to enter upon the Series 2008 Facilities for the purpose of completing the Series 2018A Project, and, pursuant to one or more bills of sale, will convey title to the equipment comprising the Series 2008 Facilities to the Issuer. The Issuer will sell its interest in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement and will appoint the JSCB as agent of the Issuer with respect to the Series 2018A Project. Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to State Aid to Education and in and to the Installment Sale Agreement, including all rights to receive Installment Purchase Payments thereunder with respect to the Series 2018A Bonds (other than in respect of the Issuer's Reserved Rights). Under the State Aid Depository Agreement, the City, the SCSD and the Depository have agreed to direct the State Comptroller to pay all State Aid to Education directly to the State Aid Depository Fund established and held under the State Aid Depository Agreement, all for the benefit on a Ratable Basis of the Series 2018A Bonds and each other series of Project Bonds outstanding, including the Series 2010 Bonds, the Series 2011 Bonds, and the Series 2017 Bonds. In the event the SCSD or the City fails to make a payment under the Installment Sale Agreement, the Syracuse Schools Act and the Indenture provide that, upon receipt by the State Comptroller of a certificate from or on behalf of the Trustee on behalf of the Issuer as to the amount of such failed payment, the State Comptroller shall withhold any state and/or school aid from the SCSD and the City payable thereto to the extent of the amount so stated in each such certificate as not having been made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld.

##### **The License Agreement**

Pursuant to a Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, between the City and the SCSD, as licensors, and the Issuer, as licensee, the City and the SCSD will license the Series 2008 Facilities to the Issuer. The License Agreement will be entered into concurrently with the issuance of the Series 2018A Bonds and will have a term ending upon the later of

the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project.

### **The Installment Sale Agreement**

The Issuer will sell its interest in the Series 2008 Facilities to the SCSD and the City pursuant to the Installment Sale Agreement. The Installment Sale Agreement provides for the appointment of the JSCB as the agent of the Issuer to complete the Series 2018A Project, provides the SCSD with the right to use, occupy and operate the Series 2008 Facilities, obligates the SCSD to maintain and manage the Series 2008 Facilities, and obligates the SCSD and the City to pay all costs related to operation of the Series 2008 Facilities. Installment Purchase Payments due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds. Installment Purchase Payments (as defined in the Installment Sale Agreement) due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payment Date under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment Date and Base Installment Purchase Payment Date shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment and Base Installment Purchase Payments due on such November 15 are not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the Indenture, as well as of the Series 2010 Indenture and the Series 2017 Indenture.

Except for funds, investments and other amounts held under the Indenture, the Issuer has pledged no other assets to the payment of the Series 2018A Bonds, and except for the intercept of any state and/or school aid payable to the City or the SCSD by the State Comptroller as herein described, it is anticipated that the Issuer's sole source of payment for the Series 2018A Bonds will be derived from Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement. The obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement are deemed executory only to the extent of State Aid to Education appropriated by the State and available to the SCSD and/or the City, and budgeted by the SCSD and appropriated by the City and SCSD to the payment of Installment Purchase Payments under the Installment Sale Agreement. In the event State Aid to Education is not appropriated to the SCSD or the City, neither the SCSD nor the City will be obligated to pay any amounts due under the Installment Sale Agreement; *provided, however*, the failure of the SCSD or the City for any reason (including a failure by the SCSD to budget Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for such Installment Purchase Payments, a failure by the City or the SCSD to appropriate such payments, or a failure by the State to appropriate State Aid to Education) to make an Installment Purchase Payment under any Installment Sale Agreement is nevertheless deemed a failure to make a payment thereunder for purposes of such Installment Sale Agreement, the Syracuse Schools Act, and the state and/or school aid intercept implementing provisions of the Indenture. In the event State Aid to Education is appropriated by the State to the SCSD or the City and the SCSD and the City do not appropriate such State Aid to Education to make Installment Purchase Payments under the Installment Sale Agreement, the Trustee (as well as the

Series Trustee) on behalf of the Issuer shall direct the State Comptroller to intercept state and/or school aid payable to the City or the SCSD for the payment of such Installment Purchase Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS—State Aid Intercept.” Subject to the foregoing limitation, the obligation of the SCSD and the City to pay Installment Purchase Payments under the Installment Sale Agreement and to perform their obligations thereunder shall be absolute and unconditional, and such Installment Purchase Payments and other amounts shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee, any purchaser of the Series 2018A Bonds, or any other person, and whether or not any or all of the Series 2008 Facilities are used or occupied by the City, the JSCB or the SCSD or are available for use or occupancy by the City, the JSCB or the SCSD.

In order to protect the priority of the rights of the Trustee to state and/or school aid under the Syracuse Schools Act, the SCSD and the City have covenanted and agreed in the Installment Sale Agreement that they will not enter into any agreement, indenture or other instrument, including any Series Facilities Agreement in connection with a Series of Project Bonds under a Series Indenture, which will have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act than the pledge effected pursuant to the Indenture. The foregoing covenant shall not be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Indenture or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture or that any payment dates under a Series Facilities Agreement be the same as provided for in the Installment Sale Agreement.

In order to provide for the obligation to make payments under the Installment Sale Agreement, the SCSD has agreed that: (i) the proposed expense budget for each ensuing fiscal year of the SCSD, commencing July 1, 2018, shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments (as defined in the Installment Sale Agreement) due under the Installment Sale Agreement to come due in such next fiscal year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City thereof. The City agrees that it shall approve a budget for the SCSD containing such items of expenditure and appropriate sufficient funds at each ending fiscal year commencing with the fiscal year ending June 30, 2018 to make the Installment Purchase Payments and Additional Payments to come due in such next fiscal year, *provided, however*, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid to Education, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved and appropriated by the City. See “BONDHOLDERS’ RISKS — Appropriation of Installment Purchase Payments by the City and the SCSD” and “Appropriation of and Possible Changes to State Aid.”

Upon the occurrence of an “Event of Nonappropriation” (i.e., the failure by the City or the SCSD to pay or cause to be paid, when due, the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement, as a result of: (i) the failure by the SCSD to include in the annual SCSD budget submitted to the Mayor of the City line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement or to approve such payments after appropriation by the City therefor; (ii) the failure by the City to approve and appropriate the annual SCSD budget containing line items for the Installment Purchase Payments or Additional Payments to be paid under the Installment Sale Agreement and thereby appropriate funds for the payment thereof; or (iii) the failure by the SCSD to approve payment of Installment Purchase Payments or Additional

Payments after appropriation by the City therefor) or an “event of default” under the Installment Sale Agreement, there is no acceleration of the obligation of the SCSD and the City to pay all future Installment Purchase Payments under the Installment Sale Agreement.

### **State Aid Intercept**

Statutory provisions currently exist or may hereafter be enacted which permit State and/or school aid otherwise payable to the SCSD or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state aid diversion and intercept claims. See “BONDHOLDERS’ RISKS—Competing Claims to State Aid.”

In the event the SCSD or the City fail to make an Installment Purchase Payment under the Installment Sale Agreement as a result of an Event of Nonappropriation or otherwise pursuant to the Indenture, the Issuer has appointed the Trustee as its agent and the Issuer (acting through the Trustee) shall, in accordance with the Syracuse Schools Act and the Indenture, certify such nonpayment to the State Comptroller. Such certification shall specify the amount by which such Installment Purchase Payment shall have been deficient. The Syracuse Schools Act and the Indenture provide that the State Comptroller shall, upon receipt of such certification, withhold from the SCSD and the City any state and/or school aid otherwise payable to the SCSD or the City to the extent of the amount so stated in such certification as not being made, and shall immediately pay over to the Trustee on behalf of the Issuer the amount so withheld based upon the Trustee’s certification. Such amounts will be applied by the Trustee to the payment of Installment Purchase Payments under the Installment Sale Agreement in the priority set forth below under “The Indenture” herein. It is further provided in the Syracuse Schools Act that (x) any amount of state and/or school aid so paid by the State Comptroller shall not obligate the State to make, nor entitle the SCSD or the City to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

### **The Indenture**

Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title and interest in and to the State Aid to Education and the Installment Sale Agreement (excluding the Issuer’s Reserved Rights), including all rights to receive Installment Purchase Payments to pay the principal of and interest on the Series 2018A Bonds as the same become due, all to be made by the SCSD or the City pursuant to the Installment Sale Agreement and the State Aid Depository Agreement, and all deemed executory only to the extent of State Aid to Education, as provided above under the subheading “The Installment Sale Agreement.”

A portion of the Series 2018A Bond proceeds shall be deposited in the Series 2018A Project Account (the “*Series 2018A Project Account*”) of the Project Fund held under the Indenture. The amounts in the Series 2018A Project Account in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Series 2018A Bondholders until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in the Series 2018A Project Account of the Project Fund to the payment, or reimbursement, to the extent the same have been paid by or on behalf of the SCSD, of Project Costs for the Series 2018A Project. Pursuant to the Indenture, the Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project

Costs for the Series 2018A Project and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an authorized representative of the JSCB. In the event the City shall be required to or shall elect to cause the Series 2018A Bonds to be redeemed in whole, the balance in the Series 2018A Project Account in the Project Fund shall be deposited in the Bond Fund for application to the redemption of Series 2018A Bonds.

Notwithstanding the occurrence of an Event of Default under the Indenture, in no event shall the Series 2018A Bonds be accelerated or declared due and payable in advance of their final stated maturity.

All state and/or school aid received by the Trustee pursuant to the state and/or school aid intercept shall be ratably applied in accordance with the Indenture in the following order of priority:

*first*, to deposit in the Applicable Interest Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*second*, to deposit in the Applicable Principal Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*third*, to deposit in the Applicable Redemption Account of the Bond Fund established under the Indenture to the extent of any deficiency therein,

*fourth*, to satisfy any indemnification obligations of the SCSD under the Installment Sale Agreement,

*fifth*, to satisfy any liability insurance obligations of the JSCB or the SCSD under the Installment Sale Agreement, and

*sixth*, to satisfy any other obligations of the JSCB, the SCSD or the City under the Installment Sale Agreement.

In addition to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds, and the Series 2018A Bonds, it is also anticipated that future Series of Project Bonds will be ratably secured by the pledge of State Aid to Education and will be separately secured and issued pursuant to one or more Series Indentures. In order to protect the pledge of State Aid to Education by the Issuer to the Trustee pursuant to the Indenture, except with respect to the issuance of Project Bonds under a Series Indenture, the Issuer has covenanted in a Series Indenture not to create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture and the Installment Sale Agreement. The Issuer further covenants and agrees pursuant to the Indenture that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid under the Syracuse Schools Act; *provided, however*, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge State Aid to Education on a parity with the pledge effected under the Indenture or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.



## **Debt Service Reserve Fund Not Applicable to the Series 2018A Bonds**

A debt service reserve fund is not being established for the Series 2018A Bonds.

## **Additional Bonds**

So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance under the Indenture for the purpose of: (i) financing Series 2008 Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing extensions, additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a “project” within the meaning of the Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of either a Supplemental Indenture or a new Indenture in connection therewith, the City, the SCSD and the Issuer shall enter into a license agreement or lease agreement or an amendment to the License Agreement, as applicable, and the Issuer, the JSCB, the SCSD and the City shall enter into a new Installment Sale Agreement or an amendment to the Installment Sale Agreement to subject the Series 2008 Facilities to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the bonds outstanding under the Indenture including such series of Additional Bonds. In addition, the SCSD, the City, the JSCB and the Issuer shall enter into an amendment to the Tax Compliance Documents.

## **State Aid Depository Agreement**

To facilitate the collection of State Aid and payment of Installment Purchase Payments under the Installment Sale Agreement, the Depository, the City and the SCSD have entered into the State Aid Depository Agreement. In accordance with the State Aid Depository Agreement, the City and the SCSD have instructed the State Comptroller to pay all State Aid to Education otherwise payable to SCSD or the City directly to the State Aid Depository Fund held by the Depository under the State Aid Depository Agreement. The State Aid Depository Agreement provides for the payment of State Aid to the Trustee and each other Series Trustee, including the Series 2018A Trustee, on a Ratable Basis pursuant to which Project Bonds are outstanding under a Series Indenture.

On or before July 15 of each Fiscal Year, the City and the SCSD are required to prepare and deliver to the Depository, the Series 2018A Trustee and the Trustee a certificate (the “*State Aid Payment Certificate*”) setting forth: (i) a statement that the SCSD and the City have appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations (as defined in “APPENDIX B — Summary of Definitions”) of the SCSD and the City for such Fiscal Year; (ii) an estimate of the total amount of State Aid to Education expected to be received during the next Collection Period and the Collection Percentage applicable to each month of such Collection Period (as such terms are defined in Appendix B hereof); and (iii) a statement, developed with the assistance of the Financial Advisor to the SCSD or a nationally recognized municipal securities underwriting firm, setting forth the long-term debt rating of each provider of a Qualified Debt Service Reserve Fund Investment Agreement by each of Fitch Ratings, Moody’s and S&P. However, in the event that the SCSD and the City have not appropriated such amount of State Aid to Education in their respective adopted budgets for such Fiscal Year, the State Aid Payment Certificate for such Fiscal Year shall set forth a statement to such effect and shall not include any information regarding the collection of State Aid to Education during the Collection

Period. Thereafter and not later than the end of the third business day immediately preceding March 31 of such Fiscal Year, if circumstances warrant, the City and the SCSD shall from time to time prepare and deliver to the Depository a revised State Aid Payment Certificate setting forth, as appropriate, (i) a statement that the SCSD and the City have, subsequent to adoption of the SCSD's budget for such Fiscal Year, appropriated an amount of State Aid to Education necessary to fund the Aggregate Facilities Payment Obligations of the SCSD and the City for such Fiscal Year; or (ii) a revised total amount of State Aid to Education expected to be received during the next Collection Period for such Fiscal Year and, in either case, if applicable, Collection Percentages or revised Collection Percentages applicable to the remainder of such Collection Period.

On or before November 10 of each Fiscal Year, the Trustee shall, in accordance with the provisions of the Indenture, prepare and deliver to the City, the SCSD and the Depository a certificate (the "*Base Facilities Agreement Payment Certificate*") setting forth the Net Base Facilities Agreement Payment (computed as of the immediately preceding last business day of October of such Fiscal Year) portion of the Facilities Payment Obligations due on the following April 1.

During each Collection Period, if the Depository has received a State Aid Payment Certificate with respect to such Collection Period that sets forth the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository shall, immediately upon receipt of any payment of State Aid to Education, withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid in the following order of priority:

*first*, to the Applicable Trustee for deposit in the Bond Fund established pursuant to the Applicable Indenture until the total amount of such withdrawals during each month of such Collection Period shall equal the sum of (A) the product of the Collection Percentage for such month multiplied by the Net Base Facilities Payment due the immediately following April 1 as set forth in the Base Facilities Payment Certificate most recently received by the Depository, plus (B) during the months of January, February and March, the excess of the amount that should have been deposited in the Bond Fund in the immediately preceding month of the Collection Period pursuant to the provisions of this paragraph, over the amount in fact so deposited; and

*second*, thereafter during each month of such Collection Period, to an Applicable Trustee, if any, for deposit in the Debt Service Reserve Fund established pursuant to the related Series Indenture until the total amount of such withdrawals is equal to the Reserve Payment due, if any, as set forth in the Reserve Payment Certificate most recently received by the Depository; and

*third*, thereafter during each month of such Collection Period, to the General Fund of the SCSD.

In the event that any amount on deposit in the State Aid Depository Fund in any month of the Collection Period, at any time, shall be less than the amount required to be paid to a Series Trustee under the first clause or second clause above, the Depository shall make payment to the Trustee, the Series 2008A Trustee and any other Series Trustee on a Ratable Basis, in the priority indicated above. For purposes of the preceding sentence, "Ratable Basis" shall be first computed based on amounts payable to each Series Trustee under the first clause above if there is not enough in the State Aid Depository Fund to pay to each Series Trustee what is payable under the first clause above, and, if the amounts payable under the first clause have been paid in full, then computed based on the amount payable to each Series Trustee under the second clause.

Thereafter, from April 1 until the commencement of the next Collection Period, immediately upon receipt of any payment of State Aid to Education, the Depository shall withdraw such State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

If the Depository has not received with respect to a Collection Period for any reason a State Aid Payment Certificate that includes the statements required by clauses (i) and (ii) of the first sentence of the second paragraph under this sub-heading, the Depository, both during and after such Collection Period until the next Collection Period, shall withdraw any State Aid to Education from the State Aid Depository Fund and cause the amounts so withdrawn to be immediately paid to the General Fund of the SCSD.

Notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustees, if the Depository receives written instructions from the Commissioner of Finance, together with an accompanying monthly payment schedule from the Commissioner of Finance indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education must be set aside in a special bank account designated in such instructions to be used only for the payment in accordance with such payment schedule for the RAN Repayment Requirement, then each month the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to the portion of such RAN Repayment Requirement required, in accordance with such payment schedule, to be withdrawn and paid to such special bank account for such month or any prior month to the extent not paid.

Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to the Bond Fund established under the Indenture, during the Collection Period, amounts held in the State Aid Depository Fund are not subject to the lien of the Indenture and are not pledged as security for the payment of the Series 2018A Bonds until such amounts have been transferred by the Depository to the Trustee and deposited in the Bond Fund.

Nothing shall prevent the SCSD, the City, the Depository, the Series Trustee, or the Trustee from adopting amendments or modifying the procedures for the collection, deposit and disbursement of State Aid to Education as set forth in the State Aid Depository Agreement; *provided, however*, that: (i) prior to making any such change, the SCSD shall notify any rating agency then rating the Series 2018A Bonds or any other Series of Project Bonds of such change and that, prior to any such change becoming effective, there shall be delivered to the Depository a rating confirmation of such rating agency that the then current unenhanced rating of the Series 2018A Bonds or any other Series of Project Bonds Outstanding will not be withdrawn or reduced as a result of such change; and (ii) any change or alteration of the procedure for collection and deposit of State Aid to Education would not result in insufficient State Aid to Education being available to timely pay Facilities Payment Obligations under the Installment Sale Agreement or under any other Series Facilities Agreement.

#### **Timing of Payments under State Aid Trust Agreement**

In order to assure the timely payment of debt service on the Series 2018A Bonds, the City and the SCSD have agreed during each year to certify certain information to the Depository, and the SCSD and the City have directed the Depository to pay certain amounts to the Trustee in advance of the payment of debt service on the Series 2018A Bonds. On or before July 15 of each Fiscal Year, the City and the SCSD are required to certify to the Depository under the State Aid Depository Agreement; (i) that the SCSD and

the City have appropriated funds necessary to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on the next succeeding April 1 (which covers the debt service on the Series 2018A Bonds on the following May 1 and November 1); and (ii) the State Aid to Education expected to be received by the SCSD and the City during the next succeeding December 1 to March 31. In the event the City shall not have appropriated such amount, the foregoing certificate shall state that the appropriation has not been made. On or before November 10 of each year, the Trustee shall prepare and deliver to the City, the SCSD and the Depository a certificate setting forth the Net Base Facilities Agreement Payment due on the following April 1. On a monthly basis beginning on December 1 through the next succeeding March 31 the Depository will, in accordance with the State Aid Depository Agreement, transfer a portion of State Aid to Education to the Trustee sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on the next succeeding April 1. In the event payments made by the Depository to the Trustee during the preceding December 1 to March 31 are not sufficient to pay the annual Installment Purchase Payment under the Installment Sale Agreement due on April 1, the Trustee will immediately certify such deficiency to the State Comptroller. The State Comptroller is then required to pay such amounts to the Trustee in accordance with the state and/or school aid intercept provisions of the Indenture and the Syracuse Schools Act in order to provide payment of debt service on the Series 2018A Bonds on the next succeeding May 1 and November 1. Installment Purchase Payments due under the Installment Sale Agreement will equal principal and interest due on the Series 2018A Bonds and are payable on each April 1. Notwithstanding the April 1 Installment Purchase Payment Date and Base Installment Purchase Payments under the Installment Sale Agreement, said agreement provides that if the SCSD fails to appropriate by November 1, 2018 (or by any subsequent November 1 that the Series 2018A Bonds remain Outstanding) State Aid Revenues in an amount sufficient to pay the Installment Purchase Payment and Base Installment Purchase Payments due on the immediately succeeding April 1 (less any amounts on deposit in the Bond Fund and available on such November 1), then: (y) the SCSD shall promptly deliver written notice of such failure to appropriate to the Issuer and the Trustee, and (z) the next succeeding April 1 payment date for the annual Installment Purchase Payment and Base Installment Purchase Payments shall instead be the November 15 immediately preceding such April 1 payment date as if that November 15 were the originally scheduled annual Installment Purchase Payment Date; and if for any reason the Installment Purchase Payment Due and Base Installment Purchase Payment Date on such November 15 is not made by such date, any such failed payment shall constitute a failure to make a payment under the Installment Sale Agreement for purposes of the Installment Sale Agreement, the Syracuse Schools Act and the State Aid intercept implementing provisions of the 2018A Indenture.

## **DISCUSSION OF FINANCIAL OPERATIONS OF THE CITY AND THE SCSD**

### **Budget Procedures and Plans**

The Director of the Office of Management and Budget (the "Budget Director") has the primary responsibility for preparing the City's annual operating budget, supervising the execution of the operating budget and reporting budgetary variances to the Mayor. The SCSD proposes a separate budget that is approved by the Board of Education after a public hearing. Thereafter, the SCSD's budget is transmitted to the City's Budget Director for inclusion in the Citywide budget.

CERTAIN FINANCIAL INFORMATION FOR THE SCSD FOR THE FISCAL YEAR ENDED JUNE 30, 2017 IS PRESENTED IN APPENDIX A HERETO. A SUMMARY OF THE SCSD'S FINANCIAL RESULTS FOR THE YEAR ENDING JUNE 30, 2017 AND DISCUSSIONS OF THE 2017-18 BUDGET ARE PRESENTED HEREIN BELOW.

## **Accounting and Financial Reporting**

In accordance with the State Education Law, the accounts of the SCSD are maintained independently of the City. The SCSD is responsible for managing, controlling and accounting for its own budget appropriations approved by the City's Common Council. The SCSD prepares and issues separately audited financial statements which statements are also included in the financial statements of the City. The City levies and collects real property taxes for general City and the SCSD purposes and remits to the SCSD its share of collections. The SCSD receives 100% of its annual tax levy by October 31 of the fiscal year following the year of levy.

The City accounts for the SCSD as a blended component unit in its financial statements. The SCSD is accounted for in this manner because the SCSD is not a separate legal entity and does not have the power to levy taxes or issue bonds. The SCSD's budget is subject to approval by the City Common Council. The City is financially accountable for the SCSD and funds any operating deficits of the SCSD. The SCSD is included in the basic financial statements as a special revenue fund in the fund financial statements of the City. Financial Statements of SCSD are presented in a discrete (*i.e.*, separate) column in the City's Annual Financial Statements, when issued, in accordance with the Governmental Accounting Standards Board, Statement #14. In the government-wide statements of the City, the SCSD is included in the governmental activities.

## **Summary of Significant Accounting Policies**

See APPENDIX A – “Certain Financial Information and Audited Financial Statements of the Board of Education of the City School District of the City of Syracuse - Notes to the Financial Statements, for the year ended June 30, 2016, Note 1,” hereto.

## **SCSD General Fund Results of Operations – Year Ended June 30, 2017**

The audited financial statements of the SCSD show that the general fund had an operating surplus of \$7,366,794 for the year ended June 30, 2017. Total fund balance of the general fund at June 30, 2017 was \$43,832,163 including \$28,659,121 in unassigned funds, \$14,122,478 in assigned funds, and \$1,050,564 in non-spendable funds. The SCSD's 2017-18 adopted budget includes the use of fund balance in the amount of \$8,900,000.

Total revenue for the general fund for fiscal year 2016-17 was \$389,493,571, excluding other financing sources. Real property taxes and State Aid to Education (excluding \$6,207,849 in STAR revenue) for the year were \$58,556,586 and \$321,554,562 respectively. Other financing sources for the year were \$6,765,831. Overall, total revenue and other financing sources showed a positive budgetary variance of \$200,404 for 2016-17. Positive budgetary variances were reported in the following revenue categories: general property taxes (+\$52,509), charges for services (+\$34,829), use of money and property (+\$1,761), sale of property and compensation for loss (+\$205,677), and transfers in (+\$2,015,831). Negative budgetary variances were reported in the following revenue categories: nonproperty taxes (-\$265,060), miscellaneous (-\$421,783), State and local sources (-\$827,005) and Federal sources (-\$597,355).

General fund expenditures including encumbrances were \$378,164,911 for the year ended June 30, 2017. In addition, \$12,750,175 in transfers out were reported as other financing uses. Actual expenditures, including encumbrances and other financing uses, were \$20,440,985 less than the budget of the SCSD general fund for fiscal year 2016-17.

The sum of the budgetary variances for revenue and other financing sources (+\$200,404), expenditures and other financing sources and uses (+\$20,440,985), the effects of encumbrance adjustments (+\$2,022,478) and the appropriation of the fund balance (-\$15,297,073) results in the reported operating surplus of \$7,366,794. (See page 54 of the audited financial statements for the fiscal year ended June 30, 2017 attached hereto as Appendix A).

**Anticipated SCSD General Fund Results of Operations – Year Ended June 30, 2018**

SCSD officials expect that the SCSD General Fund will conclude the year within the spending limit of \$417.6 million set by the Common Council, and that the fund balance appropriation of \$8.9 million will be used. Unassigned fund balance at June 30, 2018 is anticipated to be \$19,759,121.

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## ANNUAL INSTALLMENT PURCHASE PAYMENTS

The following table sets forth the annual Installment Purchase Payments due on April 1 of each year pursuant to the Installment Sale Agreement with respect to each series of Project Bonds after giving effect to the issuance of the Series 2018A Bonds.

| Payment<br>Date<br><u>due April</u> <sup>(1)</sup> | Series 2010<br>Installment<br>Purchase<br>Payments | Series 2011<br>Installment<br>Purchase<br>Payments <sup>(2)(3)</sup> | Series 2017<br>Installment<br>Purchase<br>Payments | Series 2018A<br>Installment<br>Purchase<br>Payments <sup>(4)</sup> | Total<br>Installment<br>Purchase<br>Payments |
|--|--|--|--|--|--|
| 2018   | \$2,942,806.26                                     | \$4,572,750.00   | \$1,353,050.00                                     | \$ -   | \$ 8,868,606.26                              |
| 2019   | 2,948,306.26                                       | 4,568,500.00   | 3,293,450.00                                       | 1,627,681.25   | 12,437,937.51                                |
| 2020   | 2,933,756.26                                       | 4,567,000.00   | 4,037,450.00                                       | 6,268,112.50   | 17,806,318.76                                |
| 2021   | 2,938,831.26                                       | 4,572,625.00   | 4,012,850.00                                       | 6,269,612.50   | 17,793,918.76                                |
| 2022   | 2,948,240.63                                       | 4,570,000.00   | 4,023,275.00                                       | 6,267,987.50   | 17,809,503.13                                |
| 2023   | 2,943,425.00                                       | 4,547,288.50   | 4,016,775.00                                       | 6,267,862.50   | 17,775,351.00                                |
| 2024   | 2,928,825.00                                       | 4,422,362.00   | 4,012,525.00                                       | 6,268,737.50   | 17,632,449.50                                |
| 2025   | 2,926,050.00                                       | 4,231,082.00   | 4,005,150.00                                       | 6,270,112.50   | 17,432,394.50                                |
| 2026   | 2,923,637.50                                       | 4,039,498.88   | 3,073,025.00                                       | 6,266,612.50   | 16,302,773.88                                |
| 2027   | 2,921,250.00                                       | 3,876,827.88   | 3,057,150.00                                       | 6,267,737.50   | 16,122,965.38                                |
| 2028   | -  | 1,918,775.00   | 1,790,750.00                                       | 6,267,862.50   | 9,977,387.50                                 |
| 2029   | -  | -  | 541,050.00   | 6,266,487.50   | 6,807,537.50                                 |
| 2030   | -  | -  | 532,875.00   | 6,267,987.50   | 6,800,862.50                                 |
| 2031   | -  | -  | -  | 6,266,737.50   | 6,266,737.50                                 |
| 2032   | -  | -  | -  | 6,267,112.50   | 6,267,112.50                                 |
| 2033   | -  | -  | -  | 6,268,362.50   | 6,268,362.50                                 |
| 2034   | -  | -  | -  | 6,265,181.25   | 6,265,181.25                                 |
| <b>TOTAL</b>                                       | <b>\$29,355,128.17</b>                             | <b>\$45,886,709.26</b>   | <b>\$37,749,493.75</b>                             | <b>\$95,644,187.50</b>   | <b>\$208,635,399.93</b>                      |

<sup>(1)</sup> An amount equal to the total principal and interest due on Project Bonds each May 1 and November 1 is due in full on each preceding April 1 pursuant to the respective Installment Sale Agreement.

<sup>(2)</sup> Inclusive of Mandatory Sinking Fund Payments for the Series 2011B Bonds.

<sup>(3)</sup> Exclusive of the Federal Interest Subsidy.

<sup>(4)</sup> All of the interest due in fiscal year 2018-19 with respect to the Series 2018A Bonds Installment Purchase Payments totaling \$3,671,325.48 is not shown because it is capitalized.

## BONDHOLDERS' RISKS

The discussion herein of risks to holders of the Series 2018A Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended only to summarize certain matters which could affect payment on the Series 2018A Bonds. However, holders of the Series 2018A Bonds should be aware that these matters and other potential risks and factors could materially adversely affect the receipt by the holders of payments on the Series 2018A Bonds. Other sections of this Official Statement should be referred to for a more detailed description of risks described in this Section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal corporate trust office of the Trustee.

### Tax Cuts and Jobs Act

On December 22, 2017, the President signed into law H.R. 1 entitled "Tax Cuts and Jobs Act" (the "Tax Act") amending the Code. The Tax Act repeals the authority for the Issuer to issue tax-exempt

bonds to advance refund bonds such as the Series 2018A Bonds. Tax-exempt advance refunding of bonds by obligors such as SCSD allowed obligors to manage debt service costs. Without tax-exempt advance refunding of the Series 2018A Bonds, there are limited options available to SCSD prior to [first call date] to refund the Series 2018A Bonds should interest rates or the financial condition of SCSD warrant refunding. The Tax Act contains significant changes including, among other things, lowering income tax rates applicable to many individuals and corporations. These changes may affect the market for the Series 2018A Bonds. See “Tax Matters.”

### **The State’s Financial Condition, Reduced State Aid, Delayed Payment**

The amount of State Aid paid to the SCSD is dependent in large measure upon the financial condition of the State. The State regularly publishes its Annual Information Statement relating to its financial condition, as well as quarterly updates and supplements thereto.

The State's 2016-17 and 2017-18 Enacted Budgets each provide for an increase of \$1.3 billion and \$1.1 billion in school aid for the 2016-17 and 2017-18 school years, respectively.

The SCSD depends on substantial financial assistance from the State. SCSD General Fund operations for its 2016-17 fiscal year were funded 82.4% from State Aid. State aid for the SCSD’s General Fund for fiscal year 2017-18 was budgeted at \$334.6 million, which represents an increase of \$13.1 million compared to the budgeted adopted for the previous fiscal year.

The total amount of State Aid for all funds is comprised of Foundation Aid and a number of other State Aid categories. Foundation Aid is the largest component of State Aid for the SCSD. The SCSD received Foundation Aid in the amount of \$221.5 million in 2013-14, \$227.9 million in 2014-15, \$238.4 million in 2015-16, \$259.2 for the 2016-17 fiscal year and expects \$271.7 million for the 2017-18 fiscal year, respectively. Future reductions in Foundation Aid or other aid categories of State Aid to the SCSD could adversely affect the financial condition of the SCSD.

Principal of and interest on the Project Bonds, including the Series 2018A Bonds, will be paid from State Aid payable through (i) Installment Purchase Payments made by the SCSD under the Series Facilities Agreements, including the Installment Sale Agreement or (ii) from the intercept of State Aid by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid being made each year by the State to the SCSD. No assurance can be given that present State Aid levels will be maintained in the future. The Syracuse Schools Act provides that (x) any amount of State Aid paid by the State Comptroller pursuant to the State Aid intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of State Aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of State Aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain State Aid at any particular level or amount. Financial difficulties of the State could result in reduced payments of State Aid to municipalities and school districts in the State (including the SCSD) in future fiscal years. Given the SCSD’s dependence on State Aid (the only source of funds to make the installment purchase payments payable by the SCSD pursuant to the Series Facilities Agreements, including the Installment Sale Agreement), substantial reductions in the payment of State Aid could adversely impact the SCSD’s ability to pay, or timely pay, Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement, and accordingly, the payment of debt service on the Project Bonds, including the Series 2018A Bonds.

State financial difficulties may result in protracted and delayed State budget negotiations which may result in delays in the adoption of the State budget. Delays in adoption of the State budget could



result in delayed payment of State Aid to school districts in the State, including the SCSD. During the State's 2011-12 to 2016-17 fiscal years, State Aid to school districts was paid in a timely manner; however, during the State's 2009-10 fiscal year, State budgeting restrictions resulted in delayed payments of State Aid to school districts in the State. In the past, adoption of a State budget has been delayed as long as four and a half months. There can be no assurance that (y) the State Legislature will continue to adopt State budgets in a timely fashion, or that (z) in the absence of such budget adoption, that the State Legislature will provide on a continuing resolution or other basis State Aid to the SCSD on an interim basis.

Delay in the receipt of State Aid by the SCSD could have a material adverse financial impact on the SCSD and result in a delay in the application of such State Aid to the payment of Installment Purchase Payments under the Series Facilities Agreements, including the Installment Sale Agreement.

### **Appropriation of and Possible Changes to State Aid**

Statutory provisions currently exist or may hereafter be enacted which permit state and/or school aid otherwise payable to the SCSD and/or the City to be diverted or intercepted and applied in satisfaction of indebtedness or obligations issued or incurred for school purposes or otherwise. In addition, at the present time, other than as provided in the State Aid Depository Agreement with respect to Project Bonds, there is no stated priority for the various multiple state and/or school aid diversion and intercept claims.

Principal of and interest on the Series 2018A Bonds will be paid from State Aid to Education payable through (i) Installment Purchase Payments made by the SCSD and the City under the Installment Sale Agreement or (ii) from the intercept of state and/or school aid payable to the SCSD or the City by the State Comptroller. Both methods of payment are dependent upon lawful appropriations of State Aid to Education being made each year by the State to the SCSD and the City. No assurance can be given that present state and/or school aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce state and/or school aid could have a material adverse effect upon the SCSD, requiring either a counterbalancing increase in revenues from other sources, to the extent available, or a curtailment of expenditures. Although the State has over the past five years provided State Aid to Education at levels averaging 80.4% per year of the SCSD's annual budget, neither this nor any other percentage of annual State Aid to Education is guaranteed. In the event that state and/or school aid is reduced by the State in the future, such reduction would result in a diminished flow of revenues for the payment of Installment Purchase Payments by the SCSD and the City under the Installment Sale Agreement, as well as diminished state and/or school aid available to be intercepted from the State Comptroller under the Syracuse Schools Act. Further, the Syracuse Schools Act provides that (x) any amount of state and/or school aid paid by the State Comptroller pursuant to the intercept provisions of the Syracuse Schools Act shall not obligate the State to make, nor entitle the SCSD to receive, any additional amounts of state and/or school aid, (y) nothing contained in the Syracuse Schools Act shall be deemed to prevent the State from modifying, reducing or eliminating any program or programs of state and/or school aid and (z) the State shall not be obligated by the terms of the Syracuse Schools Act to maintain state and/or school aid at any particular level or amount.

### **Default by the SCSD and the City**

No representations or assurances can be given that the SCSD or the City will perform their obligations under the Installment Sale Agreement. The obligation of the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement is executory and dependent upon the receipt of State Aid to Education and the appropriation of such State Aid to Education by the SCSD and the City for the payment of Installment Purchase Payments under the Installment Sale Agreement. In

the event State Aid to Education has been appropriated by the State to the SCSD and/or the City and either the SCSD has failed to provide for Installment Purchase Payments necessary for a fiscal year its budget, or the City has failed to appropriate such State Aid to Education, for the payment of the Installment Sale Agreement, there is no right to accelerate payments due under the Series 2018A Bonds and the sole source of payment for the Series 2018A Bonds will be the intercept of state and/or school aid by the State Comptroller. The failure of the SCSD to budget for, or the City to appropriate amounts necessary, to make Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2018A Bonds. In such event, the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

### **Appropriation of Installment Purchase Payments by the City and the SCSD**

The availability of Installment Purchase Payments under the Installment Sale Agreement are subject to and dependent upon lawful appropriations of State Aid to Education being made each year by the State Legislature and the City for such purposes. The Installment Sale Agreement is not a general obligation of the SCSD or the City. The obligations of the SCSD and the City under the Installment Sale Agreement to pay Installment Purchase Payments in any fiscal year of the SCSD or the City constitute a current expense of the SCSD and the City for such fiscal year and shall not constitute an indebtedness of the SCSD or the City within the meaning of any constitutional or statutory provision or other laws of the State. Neither the Installment Sale Agreement nor any representation by any public employee or officer creates any legal or moral obligation of the City to appropriate or the SCSD or the City make moneys available for the purposes of the Installment Sale Agreement. The failure of the SCSD and the City to pay Installment Purchase Payments due under the Installment Sale Agreement may result in the failure of the Issuer to make required debt service payments under the Series 2018A Bonds. In such event, there is no right to accelerate payments due under the Series 2018A Bonds and the sole remedy available to the Bondholders will be the intercept of state and/or school aid by the State Comptroller.

### **Competing Claims to State Aid**

#### *Direct Claims*

Revenue Anticipation Notes. Revenue anticipation notes are issued by the City on behalf of the SCSD in anticipation of the receipt of State Aid to Education. Such notes are payable in the first instance from State Aid to Education in anticipation of which such revenue anticipation notes were issued. State law requires that whenever the amount of the revenue anticipation notes issued by the City on behalf of the SCSD equals the amount of State Aid to Education remaining uncollected, the City is required to set aside in an account all of such State Aid to Education thereafter received by the SCSD to retire such revenue anticipation notes. Currently, the City has \$95,705,000 revenue anticipation notes outstanding of which \$51,805,000 were issued in anticipation of the receipt of State Aid to Education. Such notes will mature on June 29, 2018. The State Aid Depository Agreement provides that, notwithstanding the provisions of the State Aid Depository Agreement providing for the flow of State Aid to Education to the Series Trustee, upon receipt of written instructions to the Depository from the City indicating that, pursuant to applicable State law and, if applicable, any credit enhancement agreement to which the City is a party, State Aid to Education revenues paid to the SCSD or the City must be set aside in a special bank account designated in such instructions to be used only for the payment of the revenue anticipation notes Repayment Requirement. Upon receiving such instructions, the Depository shall immediately withdraw from the State Aid Depository Fund all State Aid to Education that is received and cause the amounts so withdrawn to be immediately paid, before any further withdrawal or payment under the State Aid Depository Agreement, to the special bank account until the total amount of such withdrawals is equal to

the portion of such revenue anticipation notes Repayment Requirement required to be withdrawn and paid to such special bank account for such month or any prior month to the extent not paid. Notwithstanding the foregoing, in the event the SCSD or the City shall fail to pay an Installment Purchase Payment under the Installment Sale Agreement, the intercept provisions of the Syracuse Schools Act and the Indenture will operate to intercept state and/or school aid payable to the SCSD or the City prior to the payment of such aid to the SCSD and/or the City in accordance with the State Aid Depository Agreement. Accordingly, such state and/or school aid will be intercepted to pay Installment Purchase Payments under the Installment Sale Agreement prior to its application by the City to the payment of outstanding revenue anticipation notes of the City. In accordance with the requirements of the Local Finance Law, it is the City's current practice to set aside in a special account the last State Aid to Education money received during the fiscal year. Payments to the special bank account are generally made in May and the June of each year.

Expenses for Handicapped Children. The State Comptroller deducts from State Aid to Education due to the SCSD amounts required by statute to reimburse the State for certain expenditures made by the State for the education of certain blind, deaf and handicapped children in the City. Such expenditures were approximately \$0.4 million for the SCSD 2015-16 fiscal year and \$0.4 million is also budgeted for this purpose in the 2016-17 fiscal year.

Deductions for TRS Payments. TRS contributions are paid as a reduction in State Aid to Education payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January. For the 2016-17 fiscal year, TRS expenditures were approximately \$20.8 million. For 2017-18, SCSD officials have indicated that \$22.6 million was budgeted for this purpose.

#### Contingent Claims.

State Finance Law Section 99-b. In the event of a default in the payment of the principal of and/or interest on outstanding general obligation indebtedness of the SCSD, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State Aid to Education and assistance to the SCSD and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of such general obligation indebtedness for SCSD purposes. The SCSD is wholly dependent upon the City for taxation and debt issuance. As measured by the State Constitution and the Local Finance Law, as of January 16, 2018, the City has a total outstanding net indebtedness of \$172,962,833 (excluding \$58,759,996 in water debt, \$14,864,040 in budgetary appropriations, \$43,900,000 revenue anticipation notes issued against City revenues, \$51,805,000 revenue anticipation notes issued against SCSD revenues, and \$3,633,797 in debt reserves), which represents 41.28% of the City's debt limit. Excluding revenue anticipation notes, the SCSD's share of outstanding City net debt is \$37,713,622 (or 21.8%), as of January 16, 2018. In addition, the net indebtedness of the City at January 16, 2018 includes \$29,800,000 in outstanding bond anticipation notes which were issued by the City to commence work on Phase II of the JSCB renovation project As of January 16, 2018, \$37,713,622 outstanding bonds, \$29,800,000 bond anticipation notes and \$51,805,000 outstanding revenue anticipation notes issued for school purposes benefit from the Section 99-b statutory intercept mechanism for State Aid to Education.

*The Series 2018A Bonds are not general obligation indebtedness of the City and accordingly do not benefit from the Section 99-b intercept.*

Charter School Delinquencies. Pursuant to the Charter Schools Act, the SCSD is required to pay for the maintenance and operation of charter schools in the City. There are currently three charter schools operating in the City. Enrollments at these schools increased from 1,565 students in the 2016-17 school year to 1,801 (projected) in the 2017-18 school year. According to District officials, in 2017-18 charter school funding is \$12,930 per student for regular education, \$6,572 per student for 20% special education, and \$12,048 per student for 60% special education, for a projected total of approximately \$24.3 million. In the 2016-17 school year, the amount of charter school funding was \$12,430 per student for regular education, \$6,458 per student for 20% special education, and \$11,840 per student for 60% special education, for a total of \$19.7 million. Increases are due to increases in expected charter school enrollment. In the event the SCSD fails to make any required payment for the maintenance or operation of charter schools, the State Comptroller may deduct such delinquent amounts from State Aid to Education otherwise payable to the SCSD and pay such amount to the charter schools.

Failure to Comply with Regulations. Payment of State Aid to Education may be withheld due to the failure of the City or the SCSD to comply with various requirements of State law or the regulations of the Commissioner of Education relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes.

The 2017-18 Enacted State Budget included a provision linking the payment of additional State Aid to compliance with a modified teacher evaluation process which provides that school districts will not be eligible for aid unless they have negotiated the optional components of evaluations with their local unions and obtained State approval by September 1, 2017. The SCSD has completed negotiations with its local unions and is in compliance with the modified teacher evaluation process.

#### *Effect on State Aid*

Statutory application and intercept of State Aid to Education for any of the above purposes or any other purpose would have the result of diminishing the flow of State Aid to Education to the SCSD and the City to make Installment Purchase Payments under the Installment Sale Agreement as well as possibly diminishing state and/or school aid subject to be intercepted by the State Comptroller under the Syracuse Schools Act. Furthermore, other State financing programs incorporate similar procedures for the application or withholding of State Aid to Education as security for the repayment of obligations, or the repayment of financial assistance provided to school districts in the State. Moreover, the State has the power to (i) create additional state and/or school aid intercept provisions, (ii) reduce or eliminate state and/or school aid paid to school districts and cities in the State and (iii) create state and/or school aid intercept provisions having a prior right to intercept state and/or school aid senior to the intercept of state and/or school aid provided by the Syracuse Schools Act. If the SCSD or the City is or becomes a participant in any such State financing program or otherwise pledges state and/or school aid, the extent to which State Aid to Education would be available (x) to pay Installment Purchase Payments under the Installment Sale Agreement or (y) to be intercepted by the State Comptroller and paid to the Trustee, could be adversely affected. No assurance is given that the SCSD or the City will not participate in any such State financing programs in the future.

In addition to the foregoing, it is important to note that State Aid may, after the payment of Base Installment Purchase Payments, be applied to the payment of Additional Payments under the Installment Sale Agreement for, among other things, casualty and indemnity obligations of the SCSD, in the event of a shortfall in the insurance coverage furnished by the SCSD to the Issuer. Accordingly, a significant casualty or indemnity event could substantially reduce State Aid coverage levels in relation to Base Installment Payment obligations of the SCSD and the City.

## **Additional Series of Project Bonds or Series of Additional Bonds**

The SCSD currently intends to finance the completion of the Program with the issuance of additional Series of Project Bonds or Series of Additional Bonds under either the Indenture and/or separate Series Indentures which will rank on a Ratable Basis with the claims of the Series 2018A Bonds to State Aid to Education under the State Aid Depository Agreement or from the State Comptroller as an intercept of state and/or school aid under the Syracuse Schools Act. See APPENDIX D — “Summary of Certain Provisions of the Installment Sale Agreement” and APPENDIX C — “Summary of Certain Provisions of the Indenture of Trust.”

The issuance of additional Series of Project Bonds or Series of Additional Bonds will dilute the amount of State Aid to Education available to make Installment Purchase Payments with respect to the Series 2018A Bonds and the amount of state and/or school aid subject to intercept by the State Comptroller and payable to the Trustee. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS.” No limitation exists upon the principal amount of Project Bonds that may be issued, nor upon their payment dates or rate of amortization. This could result in a reduction in the funds available to make payments of principal of and interest on the Series 2018A Bonds.

## **Insurance**

The City funds a self-insurance program from operating funds to protect itself against various forms of risks. Under the program, the City is self-insured for employee medical and dental benefits, unemployment benefits, workers' compensation and general liability claims. According to City officials, for the fiscal years ended June 30, 2016 and 2017, the City and SCSD paid \$157,392 and \$1,382,215 from operating funds to settle various judgments and claims, respectively. For the current fiscal year, as of January 18, 2018 the City and SCSD have paid \$4,401,307 to settle various judgments and claims.

The City purchases commercial insurance for various risks and liabilities. Property insurance is utilized to protect all City and SCSD Buildings for losses in excess of \$100,000.

For additional information concerning claims and insurance, see “Notes to Basic Financial Statements,” Note 9, in the City’s audited financial statements as of and for the year ended June 30, 2016, and “Notes to Basic Financial Statements,” Note 10, in the SCSD audited financial statements as of and for the year ended June 30, 2017.

## **Enforceability of Remedies**

The remedies available to the holders of the Series 2018A Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon judicial actions which are often subject to discretion and delay. Existing constitutional and statutory law and judicial decisions, including Title 11 of the United States Code, affect the payment rights of Bondholders, and the remedies specified by the federal bankruptcy laws, the Indenture and the various documents referred to herein may not be readily available or may be limited. The legal opinions to be delivered concurrently with the delivery of the Series 2018A Bonds will be qualified as to enforceability of the legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally. In addition, such opinions will state that the availability of remedies may be limited by judicial application of principles of equity which may delay or preclude the exercise of remedies, including mortgage foreclosure.

## **State Aid Depository Agreement**

Amounts held in the State Aid Depository Fund under the State Aid Depository Agreement are not pledged to the repayment of the Series 2018A Bonds. The State Aid Depository Fund is not a trust fund held under the Indenture and the Trustee does not and will not have a security interest in amounts held therein. In addition, the obligations of the City, the SCSD and the Depository relating to the collection, deposit and disbursement of State Aid contained in the State Aid Depository Agreement are not statutory obligations but contractual obligations of the Depository, the City, the SCSD and failure of such parties to comply with the provisions of the State Aid Depository Agreement would be actionable solely as a breach of contract matter. See also "Additional Series of Project Bonds or Series of Additional Bonds" above.

## **Statutory Interpretation**

The City, the JSCB and the SCSD are subject to the limitations imposed by State law including, but not limited to, the Education Law, the General Municipal Law and the Local Finance Law. Generally, such laws limit the power of the City to incur indebtedness, as well as the powers of the City and the SCSD to lease or purchase facilities and enter into installment purchase agreements similar to the Installment Sale Agreement. Notwithstanding such limitations, the Corporation Counsel of the City will provide an opinion to be delivered at the Series 2018A Bond closing to the effect that the Installment Sale Agreement is valid, binding and enforceable against the City, the JSCB and the SCSD in accordance with its terms subject to certain limitations (bankruptcy, discretion as to remedies, etc.). The Syracuse Schools Act has not been subjected to judicial review and the legal authority provided to the City, the JSCB and the SCSD by the Syracuse Schools Act could be subject to differing interpretation. Reference is hereby made to the form of opinion of Corporation Counsel of the City to be delivered upon issuance of the Series 2018A Bonds, a copy of which will be on file with the Trustee.

## **Limited Obligations of the Issuer**

THE SERIES 2018A BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM STATE AID PAYABLE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT AND THE PLEDGE OF CERTAIN FUNDS INCLUDING THE BOND FUND UNDER THE INDENTURE. IN THE EVENT THE SCSD OR THE CITY FAILS TO MAKE AN INSTALLMENT PURCHASE PAYMENT UNDER THE INSTALLMENT SALE AGREEMENT (AND UPON ANY FAILURE TO BUDGET OR APPROPRIATE STATE AID TO EDUCATION), THE SYRACUSE SCHOOLS ACT AND THE INDENTURE PROVIDE THAT, UPON RECEIPT BY THE STATE COMPTROLLER OF A CERTIFICATE FROM THE TRUSTEE ON BEHALF OF THE ISSUER AS TO THE AMOUNT OF SUCH FAILED PAYMENT, THE STATE COMPTROLLER SHALL WITHHOLD ANY STATE AND/OR SCHOOL AID FROM THE SCSD AND/OR THE CITY PAYABLE THERETO TO THE EXTENT OF THE AMOUNT SO STATED IN SUCH CERTIFICATE AS NOT HAVING BEEN MADE, AND SHALL IMMEDIATELY PAY OVER TO THE TRUSTEE ON BEHALF OF THE ISSUER THE AMOUNT SO WITHHELD. THE OBLIGATION OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE SCSD OR THE CITY AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY IS PLEDGED TO THE PAYMENT OF INSTALLMENT PURCHASE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT. THE OBLIGATIONS OF THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO PAY INSTALLMENT PURCHASE PAYMENTS IN ANY FISCAL YEAR OF THE SCSD OR THE CITY CONSTITUTE A CURRENT EXPENSE OF THE SCSD FOR SUCH FISCAL YEAR AND SHALL NOT CONSTITUTE

AN INDEBTEDNESS OR MORAL OBLIGATION OF THE SCSD, THE CITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR OTHER LAWS OF THE STATE OF NEW YORK. THE ONLY SOURCE OF MONEYS AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018A BONDS IS INSTALLMENT PURCHASE PAYMENTS MADE BY THE SCSD AND THE CITY UNDER THE INSTALLMENT SALE AGREEMENT TO THE EXTENT OF STATE AID APPROPRIATED BY THE STATE AND AVAILABLE TO THE SCSD OR THE CITY AND APPROPRIATED BY THE CITY AND SCSD TO MAKE SUCH PAYMENTS, AND THE INTERCEPT BY THE STATE COMPTROLLER OF ANY STATE AND/OR SCHOOL AID PAYABLE TO THE CITY OR THE SCSD TO THE EXTENT OF ANY INSTALLMENT PAYMENT DEFICIENCY.

#### **Absence of Public Market for the Series 2018A Bonds**

The SCSD has been advised by the Underwriters that the Underwriters presently intends to make a secondary market in the Series 2018A Bonds. The Underwriters, however, is not obligated to do so, and any secondary market-making activities with respect to the Series 2018A Bonds may be discontinued at any time without notice. No assurance is given that an active public or other market will develop for the Series 2018A Bonds or as to liquidity of or the trading market for the Series 2018A Bonds. If a trading market does not develop or is not maintained, holders of the Series 2018A Bonds may experience difficulty in reselling the Series 2018A Bonds or may be unable to sell them at all. If a market for the Series 2018A Bonds develops, any such market may be discontinued at any time. If a public trading market develops for the Series 2018A Bonds, future trading prices of the Series 2018A Bonds will depend on many factors, including, among other things, prevailing interest rates, State Aid to Education paid to the SCSD and the market for similar securities. Depending on prevailing interest rates, the market for similar securities and other factors, including the financial condition of the SCSD, the Series 2018A Bonds may trade at a discount from their principal amount.

#### **Executive Order on Sanctuary Cities**

On January 25, 2017, President Trump signed an executive order directing the Attorney General and the Secretary of Homeland Security to ensure that state and local jurisdictions that willfully refuse to comply with federal law concerning the provision of information on individuals' immigration status will not be eligible to receive federal grants except as deemed necessary for law enforcement purposes. It is the City's position that controlling legal authority limits funding reductions to grants directly related to federal immigration law enforcement. On April 25, 2017, the United States District Court for the Northern District of California issued a preliminary injunction enjoining enforcement nationwide of one section of the executive order which sought to limit grants beyond those relating to federal immigration law enforcement. On November 20, 2017, the court ruled that such section is unconstitutional and issued a permanent, nationwide injunction enjoining enforcement of the section. It is not known if the federal government will appeal the ruling. The court's injunction is consistent with the City's position that controlling legal authority limits funding reductions to grants directly related to federal immigration law enforcement. Federal grants to the City arguably related to federal immigration law enforcement comprise a small percentage of the City's total budget. Moreover, most if not all of such grants support local law enforcement functions which the executive order expressly authorizes the Attorney General or Secretary of Homeland Security to exempt from reduction. If implementation of the executive order results in the reduction of federal aid to the City and/or the SCSD, the City expects that it would mount a vigorous legal challenge. However, there can be no guarantee that implementation of the executive order will not result in a significant reduction or delay in receiving such aid.

## TAX MATTERS

### Series 2018A Bonds

In the opinion of Barclay Damon LLP, Bond Counsel to the Issuer, under existing law and assuming compliance by the Issuer, the SCSD and the City with certain covenants and the accuracy and completeness of certain representations made by the Issuer, the SCSD and the City, interest on the Series 2018A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals. Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See APPENDIX E — “Form of Opinion of Bond Counsel for the Series 2018A Bonds.”

The Code imposes various requirements that must be met in order that interest on the Series 2018A Bonds be and remain excluded from gross income for Federal income tax purposes. Failure to comply with the requirements of the Code may cause interest on the Series 2018A Bonds to be included in gross income for purposes of Federal income tax retroactive to the date of original execution and delivery of the Series 2018A Bonds, regardless of the date on which the event causing such inclusion occurs. The Issuer, the SCSD and the City have covenanted in the Indenture, the Installment Sale Agreement and the Tax Compliance Agreement to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Issuer, the SCSD and the City.

Certain requirements and procedures contained or referred to in the Indenture, the Installment Sale Agreement, the Tax Compliance Agreement and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Barclay Damon LLP states that such firm, as Bond Counsel, expresses no opinion as to any Series 2018A Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Barclay Damon LLP.

The excess of the principal amount of a maturity of a Series 2018A Bond over the issue price of such maturity of Series 2018A Bond (a “Discount Bond”) constitutes “original issue discount,” the accrual of which, to the extent properly allocable to the Beneficial Owner thereof, constitutes “original issue discount” which is excluded from gross income for Federal income tax purposes. For this purpose, the issue price of a maturity of Series 2018A Bonds is the first price at which a substantial amount of such maturity of Series 2018A 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). Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount. Beneficial Owners of Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Discount Bonds.

Series 2018A Bonds purchased, whether at original issuance or otherwise, at prices greater than the stated principal amount thereof are “Premium Bonds.” Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond



premium and, under certain circumstances, the Beneficial Owner of Premium Bonds may realize taxable gain upon disposition of such Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that a Beneficial Owner of Premium Bonds is treated as having received for Federal tax purposes (and an adjustment to basis). Beneficial Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of ownership of Premium Bonds.

On December 22, 2017, the President signed into law a bill (the "Tax Act") amending the Code. The Tax Act repeals the authority for the Issuer to issue tax-exempt bonds to advance refund bonds such as the Series 2018A Bonds. The Tax Act does not change the exclusion of interest on the Series 2018A Bonds from gross income for Federal income tax purposes. The Tax Act contains significant changes including, among other things, eliminating alternative minimum tax on corporations and lowering income tax rates applicable to many individuals and corporations.

Prospective purchasers of the Series 2018A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2018A Bonds may have collateral Federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Interest on the Series 2018A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding.

Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2018A Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2018A Bonds for Federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the Federal or state level, may cause interest on the Series 2018A Bonds to be subject, directly or indirectly, to Federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2018A Bonds for Federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2018A Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2018A Bonds may occur. Prospective purchasers of the Series 2018A Bonds should consult their own advisors regarding any pending or proposed Federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2018A Bonds ends with the issuance of the Series 2018A Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the SCSD, the City or the Beneficial Owners of Series 2018A Bonds regarding the tax-exempt status of the Series 2018A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and its 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 Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2018A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2018A Bonds, and may cause the Issuer, the SCSD, the City or the Beneficial Owners to incur significant expense.

### **APPROVAL OF LEGAL MATTERS**

All legal matters incident to the authorization, issuance and delivery of the Series 2018A Bonds by the Issuer are subject to the approving opinion of Barclay Damon LLP, Syracuse, New York, Bond Counsel to the Issuer. A copy of the opinion of Bond Counsel will be available at the time of delivery of the Series 2018A Bonds, the form of which is set forth in APPENDIX E — “Form of Opinion of Bond Counsel for the Series 2018A Bonds” hereto. Certain legal matters will be passed upon for Issuer by Corporation Counsel of the City. Legal matters pertaining to the JSCB will be passed upon by its special finance counsel, Trespasz & Marquardt, LLP, Syracuse, New York, and for the SCSD and the City by the Corporation Counsel of the City. Certain legal matters will be passed upon for the Underwriters by its counsel, Harris Beach PLLC, Syracuse, New York.

### **FINANCIAL ADVISOR**

Capital Markets Advisors, LLC (the “*Financial Advisor*”) serves as independent financial advisor to the City and the SCSD on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Series 2018A Bonds and has reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2018A Bonds was based on materials provided by the City and the SCSD and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated or otherwise verified the information provided by the City or the SCSD or the information set forth in this Official Statement or any other information available to the City or the SCSD with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

### **NO LITIGATION**

It is a condition of their acceptance of the Series 2018A Bonds at closing that the Underwriters receive certificates from the Issuer, the SCSD and the City to the effect that there is no pending or, to the knowledge of the Issuer the SCSD or the City, threatened litigation against the Issuer, the SCSD or the City that in any way questions or affects the validity of the Series 2018A Bonds, the Indenture, the License Agreement, the Installment Sale Agreement, the State Aid Depository Agreement, or any

proceedings or transactions relating to the issuance, sale or delivery of the Series 2018A Bonds or the execution and delivery of any of such documents or that would materially and adversely affect the Series 2018A Project.

As of the date of this Official Statement, the SCSD and the City have certified that they do not know of any fact or set of facts from which liability might arise which individually or collectively would materially and adversely affect the business or operations of the SCSD, the City or the Series 2018A Project.

### **RATINGS**

The Series 2018A Bonds have been given unenhanced ratings (i) by Moody's Investors Service, Inc. of "Aa2", (ii) by Standard & Poor's of "AA" and (iii) by Fitch Ratings of "AA".

Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies and assumptions by such rating agency. A rating is not a recommendation to buy, sell or hold the Series 2018A Bonds. There is no assurance that a rating will continue for any given period of time or will not be revised downward, suspended or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such lowering, suspension or withdrawal of a rating might have an adverse effect upon the market price or marketability of the Series 2018A Bonds. The Underwriters, the Issuer, the SCSD and the City undertake no responsibility after the issuance of the Series 2018A Bonds to assure the maintenance of any of the ratings or to oppose any revision or withdrawal thereof.

### **UNDERWRITING**

Raymond James & Associates, Inc. as representative of the underwriters (the "Underwriters") under a Purchase Contract between the Issuer and the Underwriters (the "Purchase Contract"), has agreed, subject to certain conditions, to purchase the Series 2018A Bonds from the Issuer at a purchase price of \$76,401,497.31, being the par amount of the Series 2018A Bonds, plus a premium of \$9,532,508.65 less an underwriters' discount of \$396,011.34, and to make a public offering of the Series 2018A Bonds. The Underwriters will be obligated to purchase all such Series 2018A Bonds if any are purchased. In connection with the public offering of the Series 2018A Bonds, the Underwriters will be receiving compensation in the amount of the Underwriters' discount.

The Underwriters' obligation under the Purchase Contract to accept delivery of the Series 2018A Bonds is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The public offering price set forth on the cover page hereof may be changed from time to time at the discretion of the Underwriters.

Pursuant to the Purchase Contract, the SCSD and the City have agreed to indemnify the Underwriters and the Issuer against certain liabilities to the extent permitted by law.

### **SECONDARY MARKET DISCLOSURE**

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"), the JSCB will undertake, on behalf of the City and the SCSD, in a written agreement for the benefit of the holders and beneficial owners of the Series 2018A Bonds (the "Continuing Disclosure Agreement") to electronically file with the Municipal Securities Rulemaking Board ("MSRB"), as the sole nationally recognized securities repository through the MSRB's Electronic Municipal Market Access ("EMMA") System, on an annual

basis no later than one calendar year after the end of each respective Fiscal Year of the City and the SCSD, commencing with the Fiscal Year ending June 30, 2018, certain financial and operating data concerning the City and the SCSD of the type included in this Official Statement and as specified in the Continuing Disclosure Agreement. In addition, the JSCB will undertake, on behalf of the City and the SCSD, for the benefit of the holders and beneficial owners of the Series 2018A Bonds, to electronically file with the MSRB through EMMA, in a timely manner, not in excess of ten (10) business days after the occurrence, notices of any of the events enumerated in the Rule. Any filing to be made under the Continuing Disclosure Agreement may be made solely by transmitting such filing to the MSRB through EMMA as provided at <http://emma.msrb.org>. See APPENDIX F — “Form of Continuing Disclosure Agreement.”

Continuing disclosure agreements which were executed by the SCSD with respect to each series of Project Bonds outstanding require the filing with each Nationally Recognized Municipal Securities Information Depository ("*NRMSIR*") or EMMA, as the case may be, of audited financial statements of the SCSD and certain financial and operating data of the type contained in the respective official statements relating to each of the respective Project Bonds outstanding no later than 360 days after the end of each respective fiscal year of the City and the SCSD. Audited financial statements for the SCSD were filed in a timely manner by the JSCB for each of the fiscal years ended June 30, 2015, 2016 and 2017. The JSCB filed a copy of the SCSD's 2013 audited financial statements on June 29, 2014, which was 4 days late. However, due to an administrative oversight, for the fiscal year ended June 30, 2014 a copy of the audited financial statements of the City and not the SCSD was filed on May 8, 2015. Although the audited financial statements of the City included information relating to the SCSD and the JSCB, a full copy of the SCSD's audited financial statements did not accompany the filing. The JSCB subsequently filed a full copy of the SCSD's 2014 audited financial statements on July 29, 2015, which was 34 days late. In addition, annual financial information and operating data for the fiscal years ended June 30, 2011, 2012, 2013, and 2014 were filed late by 4, 3, 4, and 5 days, respectively. The late filings for the 2011 through 2014 fiscal years were due to a misunderstanding as to the required filing date, which was believed to be not later than the end of succeeding fiscal year. In addition, due to an administrative oversight, annual financial information and operating data for the fiscal years ended June 30, 2015 was filed on March 29, 2017 which was 269 days late. The operating data posted for the 2015 fiscal year included certain information in connection with fiscal 2016, but the filing itself was not labeled to include the 2016 fiscal year. On January 22, 2018, along with a material event notice, a separate document was filed in connection with the 2016 operating data. Aside from the foregoing, the JSCB is in compliance with all existing continuing disclosure agreements during the previous five years. The JSCB has established procedures to insure that future filings of continuing disclosure information will be complete and will be undertaken in a timely manner in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

## MISCELLANEOUS

The summaries of and references herein to the Act, the Syracuse Schools Act, the Series 2018A Bonds, the Indenture, the Installment Sale Agreement, the State Aid Depository Agreement, the License Agreement, and other documents and materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such documents for the complete provisions thereof, copies of which may be obtained from the Trustee.

The financial statements of the City and the financial statements of the SCSD are audited each year by the firm of Bonadio & Co., LLP, Syracuse, New York. The SCSD is reported as a blended

component unit in the City's financial statements. The separate audited financial statements of SCSD, the notes thereto and the auditors' report thereon for the year ended June 30, 2017 are presented in Appendix A.

The auditors consented to the use of their audit report in this Official Statement, however, no additional auditing procedures have been performed to consider events subsequent to June 30, 2017.

Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the opinions, estimates or forecasts will be realized. This Official Statement is not to be construed as a contract or an agreement between the Issuer, the SCSD or the Underwriters and any purchaser of the Series 2018A Bonds.

The appendices hereto are an integral part of this Official Statement and must be read together with all of the foregoing statements.

The City and SCSD have reviewed the information contained herein that relates to them, their properties and operations, and has approved all such information for use within this Official Statement.

The distribution of this Official Statement to prospective purchasers of the Series 2018A Bonds by the Underwriters has been duly authorized by the Issuer, the City and the SCSD. This Official Statement is made available only in connection with the sale of the Series 2018A Bonds and may not be used in whole or in part for any other purpose.

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**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By:  /s/Honora Spillane  
Honora Spillane  
Executive Director

**SYRACUSE CITY SCHOOL DISTRICT**

By:  /s/ Jaime Alicea  
Jaime Alicea  
Superintendent

By:  /s/ Derrick Dorsey  
Derrick Dorsey  
President of the Board of Education

**CITY OF SYRACUSE**


By:  /s/Benjamin R. Walsh  
Benjamin R. Walsh  
Mayor


March 2, 2018

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: /s/Honora Spillane  
Honora Spillane  
Executive Director

**SYRACUSE CITY SCHOOL DISTRICT**

  
By: /s/ Jaime Alicea  
Jaime Alicea  
Superintendent

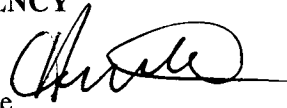
  
By: /s/ Derrick Dorsey  
Derrick Dorsey  
President of the Board of Education

**CITY OF SYRACUSE**

By: /s/Benjamin R. Walsh  
Benjamin R. Walsh  
Mayor

March 2, 2018

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: /s/Honora Spillane 

Honora Spillane  
Executive Director

**SYRACUSE CITY SCHOOL DISTRICT**

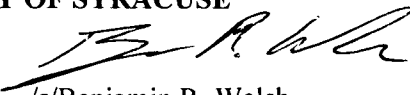
By: /s/ Jaime Alicea

Jaime Alicea  
Superintendent

By: /s/ Derrick Dorsey

Derrick Dorsey  
President of the Board of Education

**CITY OF SYRACUSE**

By: /s/Benjamin R. Walsh 

Benjamin R. Walsh  
Mayor

March 2, 2018



**APPENDIX A**

**CERTAIN FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS  
OF THE CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE**

For the period ending June 30, 2017

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**CITY SCHOOL DISTRICT OF  
SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE  
CITY OF SYRACUSE, NEW YORK)**

**Financial Statements and Required Reports  
Under Uniform Guidance as of and for the Year Ended  
June 30, 2017**

**Bonadio & Co., LLP**  
Certified Public Accountants

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**TABLE OF CONTENTS**

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|  | <u>Page</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT.....  | 1-3         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....  | 4-17        |
| BASIC FINANCIAL STATEMENTS:  |             |
| Government-wide Financial Statements:  |             |
| Statement of Net Position.....   | 18          |
| Statement of Activities and Change in Net Position.....  | 19          |
| Fund Financial Statements:   |             |
| Balance Sheet - Governmental Funds.....  | 20          |
| Reconciliation of the Balance Sheet of Governmental Funds to the<br>Statement of Net Position.....   | 21          |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances - Governmental Funds.....  | 22          |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities and<br>Changes in Net Position..... | 23          |
| Statement of Fiduciary Net Position - Fiduciary Funds .....  | 24          |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....  | 25          |
| Notes to Basic Financial Statements.....   | 26-53       |
| REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):  |             |
| Schedule of Revenues, Expenditures and Encumbrances -<br>Budget and Actual - General Fund .....  | 54          |
| Schedule of Funding Progress for Postemployment Benefits .....   | 55          |
| Schedule of Proportionate Share of Net Pension Liability (Asset).....  | 56          |
| Schedule of Contributions - Pension Plans.....   | 57          |

|   | <u>Page</u> |
|---|-------------|
| <b>SUPPLEMENTARY INFORMATION:</b>   |             |
| Combining Statements - Nonmajor Governmental Funds:   |             |
| Combining Balance Sheet - Nonmajor Governmental Funds.....  | 58          |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Governmental Funds.....  | 59          |
| Capital Projects Fund - Schedule of Project Expenditures - (Unaudited).....   | 60          |
| Net Investment in Capital Assets - (Unaudited).....   | 61          |
| <b>REQUIRED REPORTS UNDER UNIFORM GUIDANCE</b>  |             |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 62-63       |
| Independent Auditor's Report on Compliance for Each Major Federal Program and<br>on Internal Control over Compliance Required by Uniform Guidance.....  | 64-65       |
| Schedule of Expenditures of Federal Awards.....   | 66-68       |
| Notes to Schedule of Expenditure of Federal Awards.....   | 69          |
| Schedule of Prior Year Audit Findings.....  | 70          |
| Schedule of Findings and Questioned Costs.....  | 71-73       |

**INDEPENDENT AUDITOR'S REPORT**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter – Correction of Errors**

As described in Note 13 to the financial statements, the fund balance and net position of the Joint School Construction Board Fund and General Fund at July 1, 2016 of the Governmental Funds Financial Statements were decreased and increased by \$1,596,046, respectively, to reflect a correction of error related to debt service transactions between the funds.

As described in Note 13 to the financial statements, net position at July 1, 2016 of the government-wide financial statements was increased by \$35,831,033 to reflect a correction of an error in recognizing capital assets.

Our opinions are not modified with respect to these matters.

### **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Encumbrances - Budget and Actual - General Fund, Schedule of Funding Progress for Postemployment Benefits, Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions-Pension Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City School District of Syracuse, New York's basic financial statements. The supplementary information on pages 60-61, as required by New York State Education Department and the combining and individual nonmajor fund financial statements on pages 58-59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

(Continued)

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information on pages 60-61 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the City School District of Syracuse, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City School District of Syracuse, New York's internal control over financial reporting and compliance.

*Bonadio & Co., LLP*



## **CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2017**

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The purpose of the discussion and analysis of the Syracuse City School District's (the District) financial performance is to provide the reader with an overall review of the District's financial activities including its blended component unit, Joint Schools Construction Board (JSCB) for the year ended June 30, 2017 based on currently known facts, decision, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. To enhance their understanding of the District's financial performance, readers should refer to the basic financial statements and the notes to the basic financial statements which immediately follow this section.

#### **FINANCIAL HIGHLIGHTS**

##### **Government-wide Statement Overview**

- During the year the District provided program services at a net expense of \$400.1 million of which it received \$330.8 million from State and Federal sources. The balance was funded by taxes and other miscellaneous revenue sources.
- The District's combined net position for all activities decreased by \$8.8 million as a result of this year's operations.
- At June 30, 2017, combined net position for all activities was a deficiency of \$254.5 million mainly as a result of recognizing other postemployment benefits (OPEB) expenditures of \$486.3 million.
- At June 30, 2017, combined capital assets, net of depreciation were \$285.4 million.
- The combined depreciation expense for all activities was \$9.5 million.
- The total long-term bonds payable, as of June 30, 2017, were \$130.8 million, a decrease of \$12.8 million from the prior year.

##### **Fund Financial Statement Overview**

- The total revenue for all governmental funds was \$489.0 million which was an increase of \$24.5 million or 5.3% over the 2015-2016 year.
- The final General Fund budget (including the prior year's encumbrances) of \$411.4 million was an increase of \$15.2 million or 3.8% over the 2015-2016 year.
- General Fund revenues (including operating transfers in) of \$396.3 million were an increase of \$27.4 million or 7.4% over the 2015-2016 year.
- General Fund expenditures (including operating transfers out) of \$388.9 million were an increase of \$11.2 million or 3.0% over the 2015-2016 year.
- The General Fund's fund balance increased by \$7.3 million from \$36.5 million, as restated, to \$43.8 million due to an excess of revenues over expenditures.

## USING THIS ANNUAL REPORT

This annual report consists of three components: MD&A, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- Government-wide financial statements that include the Statement of Net Position and the Statement of Activities and Changes in Net Position. These statements provide both short-term and long-term information about the activities of the District as a whole as well as the District's blended component unit, JSCB.
- Fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column. JSCB, a blended component unit of the District, is presented as a major component unit in the governmental fund financial statements.

The governmental fund financial statements show how basic services such as general and special education were financed in the short-term, as well as how much remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of those outside the District.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements including a comparison of the District's General Fund budget to actual for the year.

Table 1, on the next page, summarizes the major features of the District's financial statements, including the portion of the District's activities covered and the types of information contained. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

**USING THIS ANNUAL REPORT (Continued)**

**Table 1 Major Features of the Government-wide and Fund Financial Statements**

|  | Fund Financial Statements   |  |  |
|--|---|--|--|
|  | Government-wide   | Governmental Funds   | Fiduciary Funds  |
| Scope  | Entire District (except fiduciary funds)  | The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance  | Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies   |
| Required financial statements  | <ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities and Changes in Net Position</li> </ul>    | <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>   | <ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>  |
| Accounting basis and measurement focus   | Accrual accounting and economic resources focus   | Modified accrual accounting and current financial focus  | Accrual accounting and economic resources focus  |
| Type of asset/deferred outflows of resources/liability/deferred inflows of resources information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term | Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included | All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information   | All revenues and expenses during year, regardless of when cash is received or paid  | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable  | All additions and deductions during the year, regardless of when cash is received or paid (Trust Fund only)  |

## **USING THIS ANNUAL REPORT (Continued)**

### **Government-wide Financial Statements**

One of the most fundamental and key questions relative to any School District is *How did we do financially during the course of this past year?* To help answer this question, the Statement of Net Position and the Statement of Activities and Changes in Net Position provide information on the School District as a whole using accounting methods similar to those used by private-sector companies. These statements present a summary of assets, deferred outflows of resources, liabilities and deferred inflows of resources as well as revenues and expenses using the accrual basis of accounting similar to those methods used by private-sector companies. All of the current year's revenues and expenses are accounted for in the Statement of Activities and Changes in Net Position regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net Position - the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial situation is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the Government-wide Statement of Net Position and the Statement of Activities and Changes in Net Position, the District's activities are shown as Governmental Activities. The majority of the District's basic programs and services are reported here, including general and special education, pupil transportation, and administration. Property taxes and State formula aid finance most of these activities.

### **Fund Financial Statements**

The Fund Financial Statements provide more detailed information about the District's funds, focusing on the most significant or major funds, rather than the District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

## **USING THIS ANNUAL REPORT (Continued)**

### **Fund Financial Statements - (Continued)**

The District has three types of activities:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because these assets are not available to finance the District's operations.
- **Blended Component Unit:** The District includes one separate legal entity in this report - JSCB. JSCB is a joint venture between the District and the City of Syracuse (The City). JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable State and Local laws. JSCB has a fiscal year which ends June 30.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 2) and the changes in net position (Table 3) of the District's governmental activities.

In Table 2, total governmental assets decreased by approximately 15.5% mainly due to the decrease of the District's proportionate share of the New York State Teachers' Retirement System's (NYSTRS) net pension asset from \$109 million to a net pension liability of \$12.2 million. This decrease was partially offset by the increase in cash on hand at year-end from the issuance of \$29.8 million in bond anticipation notes (BAN) to fund JSCB construction expenditures scheduled to occur in the next fiscal year.

Total liabilities increased by \$42.5 million or 5.6%. The increase in the Other Liabilities category is mainly attributable to the growing liability for other postemployment benefits that rose by \$24.2 million this year and the increase in the District's share of the NYSTRS and New York State and Local Employees' Retirement System's (NYSERS) pension liabilities by \$16.9 million. These increases were partially offset by the decrease in Bonds Payable by \$12.8 million for the current year debt service payments that were made.

Deferred outflows of \$127.1 million and deferred inflows of \$11.3 million, an increase of \$83.5 million and a decrease of \$29.2 million, respectively from the prior year, were also recognized this year in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and 71 for the District's share of the NYSERS and NYSTRS pensions.

The District's combined governmental net deficit grew by approximately \$8.8 million or 3.6%. At June 30, 2017, the total liabilities exceeded the total assets by \$254.5 million (net deficit).

**Table 2 - Condensed Statement of Net Position  
(In Thousands of Dollars)**

|   | Governmental Activities |                     | Percentage    |
|---|-------------------------|---------------------|---------------|
|   | 2016                    | 2017                | Change        |
|   | (as restated)           |                     |               |
| Current and Other Assets                  | \$ 111,905              | \$ 142,768          | 27.6%         |
| Non-current Assets                        | 394,871                 | 285,430             | -27.7%        |
| <b>Total Assets</b>                       | <b>506,776</b>          | <b>428,198</b>      | <b>-15.5%</b> |
| Deferred Outflows of Resources            | 44,826                  | 127,955             | 185.4%        |
| Bonds Payable - Due in One Year           | 13,181                  | 11,230              | -14.8%        |
| Bonds Payable - Due in More Than One Year | 130,376                 | 119,541             | -8.3%         |
| Other Liabilities                         | 613,270                 | 668,587             | 9.0%          |
| <b>Total Liabilities</b>                  | <b>756,827</b>          | <b>799,358</b>      | <b>5.6%</b>   |
| Deferred Inflows of Resources             | 40,487                  | 11,294              | -72.1%        |
| <b>Net Position</b>                       |                         |                     |               |
| Net investments in capital assets         | 152,361                 | 179,964             | 18.1%         |
| Restricted                                | 15,560                  | 11,690              | -24.9%        |
| Unrestricted (deficit)                    | (413,635)               | (446,152)           | 7.9%          |
| <b>Total Net Deficit</b>                  | <b>\$ (245,714)</b>     | <b>\$ (254,498)</b> | <b>3.6%</b>   |

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

As shown in Table 3 below, the District's total revenues from governmental activities increased by 6.0% or \$27.2 million primarily due to the \$26.2 million increase in General Aid from \$239.3 million in the prior year to \$265.5 million in the current year.

The cost of all governmental programs and services increased by 11.7% or \$51.0 million. The effect of the requirements of GASB 68 and 71 had a minimal impact on 2017 total expenses representing a \$0.5 million increase but in 2016 the effect resulted in a \$28.5 million reduction in expenses. Also, OPEB expense which is recorded based on an actuarial valuation represented a \$6.6 million increase compared to the amount recognized in 2016.

Salaries increased 3.5% or \$6.4 million over the prior year mainly due to contractual wage increases for instructional staff and other bargaining units, position increases for Vice Principal and Teaching Assistant staff, and additional funding for Attendance Teams and Academic Intervention Services. The District also experienced a significant increase in the number of staff members retiring in the current year resulting in retirement costs increasing by \$1 million as retiring staff members are eligible to receive retirement incentives and payouts in accordance with bargaining unit contract provisions. Employee retirement costs, on the other hand, decreased by 7.6% or \$1.8 million as the NYSTRS contribution rate decreased from 17.5% to 13.3% and NYSERS rates decreased as well.

Actively managing health and prescription costs by implementing a high deductible plan, Medicare Advantage Plan and Medicare Part D prescription drug retiree benefit (EGWP) plan coupled with lower volume and severity of claims resulted in medical and dental expenditures on the District's self-insured plan being \$2.1 million less than in the prior year.

Charter School tuition expense increased \$1.2 million in the current year when compared with the prior year due to increases in the billing rate and charter school enrollment.

Bond principal and interest payment amounts increased by \$3.0 million over the prior year as the District begins making principal and interest payments on JSCB project related bonds.

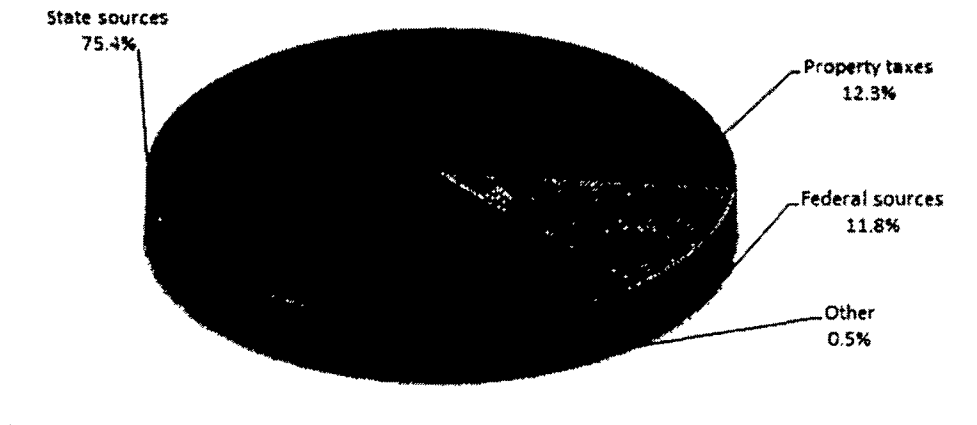
**Table 3 – Changes in Net Position from Operating Results (In Thousands of Dollars)**

|  | <u>Governmental Activities</u><br><u>2016</u> | <u>2017</u>       | <u>Percentage</u><br><u>Change</u> |
|--|---|-------------------|------------------------------------|
| <b>Revenues</b>                            |   |                   |                                    |
| Program Revenues:                          |   |                   |                                    |
| Charges for Services                       | \$ 485  | \$ 459            | -5.4%                              |
| Operating Grants and Contributions         | 86,197  | 85,456            | -0.9%                              |
| General Revenues:                          |   |                   |                                    |
| Property Taxes and Other Taxes             | 58,253  | 59,212            | 1.6%                               |
| State and Local Sources                    | 300,394                                       | 328,524           | 9.4%                               |
| Federal Sources                            | 3,809   | 2,278             | -40.2%                             |
| Use of Money and Property                  | 159   | 263               | 65.4%                              |
| Miscellaneous                              | 721   | 1,001             | 38.8%                              |
| Total Revenues                             | <u>450,018</u>                                | <u>477,193</u>    | 6.0%                               |
| <b>Expenses</b>                            |   |                   |                                    |
| General Support                            | 57,392  | 61,622            | 7.4%                               |
| Instruction                                | 332,817                                       | 377,961           | 13.6%                              |
| Pupil Transportation                       | 23,354  | 24,722            | 5.9%                               |
| Community Service                          | 1,083   | 1,111             | 2.6%                               |
| School Food Service Program                | 13,192  | 13,978            | 6.0%                               |
| Interest                                   | 7,182   | 6,583             | -8.3%                              |
| Total Expenses                             | <u>435,020</u>                                | <u>485,977</u>    | 11.7%                              |
| <b>Increase (Decrease) in Net Position</b> | <u>\$ 14,998</u>                              | <u>\$ (8,784)</u> | -158.6%                            |

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

The District is dependent on New York State and Federal sources for financing day to day operations with these two funding sources comprising 87.2% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.

### Chart 1: Sources of Revenue for 2016-2017

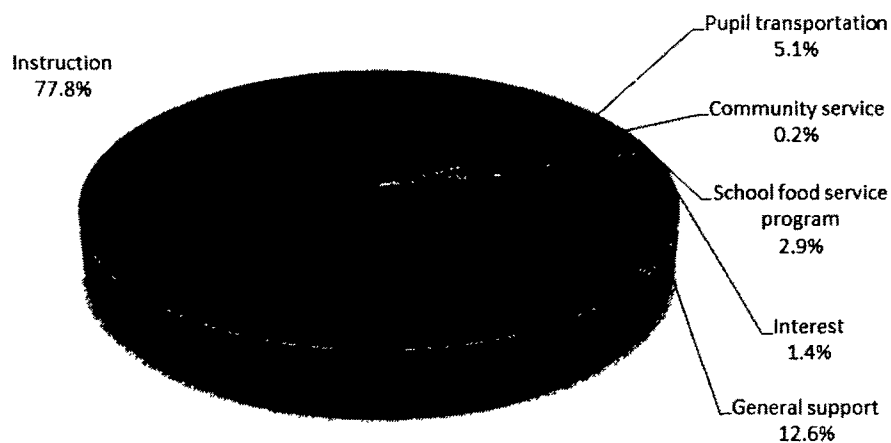


The District spent 77.8% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.9% providing meals to students through the School Food Service Program as shown in Chart 2 below.

Pupil Transportation services to transport all students who are residents of the District to sites both within and outside of the District utilized 5.1% of total expenditures.

General Support services such as custodial, maintenance, accounting and administrative services made up approximately 12.6% of total expenditures.

### Chart 2: Expenses for 2016-2017





## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2017, the District's governmental funds reported a combined fund balance of \$56.1 million, which is an increase of \$4.7 million from the prior year combined fund balance of \$51.4 million, as restated. The fund balance represents the accumulated results of the current and all previous years' operations.

The total fund balance is segregated into non-spendable, restricted, committed, assigned and unassigned amounts based on nature of the restriction imposed on the District's ability to use those net assets for day-to-day operations. More detailed information on the nature of each category of fund balance is presented in Note 1 to the financial statements. As a measure of each fund's liquidity, it may be useful to compare both its unassigned fund balance and total fund balance to total fund expenditures.

### **General Fund**

The General Fund's fund balance at June 30, 2017, is \$43.8 million, which is an increase of \$7.3 million from the prior year fund balance of \$36.5 million, as restated. Of the balance at June 30, 2017, \$28.7 million was unassigned. The unassigned fund balance represents 7.4% of the total current year General Fund expenditures, while total fund balance represents 11.3% of that same amount.

### **JSCB**

At June 30, 2017, JSCB, a blended component unit, reported a fund balance deficit of \$3.2 million, which is a decrease of \$7.3 million from the prior year fund balance of \$4.1 million, as restated. The entire amount of the fund balance is reserved for use in the related JSCB construction and renovation projects to be completed throughout the District.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's original adopted General Fund budget was \$411.4 million, consisting of the current year's operating budget of \$407.1 million and prior year's encumbrances of \$4.3 million. The final budget was the same as the original budget.

The actual charges to appropriations (expenditures) were \$22.5 million or 5.5% less than the final budget amount of \$411.4 million mainly due to health and prescription costs being less than budget by \$9.0 million. The District is self-insured paying actual claims as incurred, so significant savings were recognized from this year's lower than anticipated claim volume and severity as well as cost savings from implementing new prescription drug contract pricing and high deductible, Medicaid Advantage and EGWP health plans.

Contract service costs were also less, at \$8.9 million below budget, due to the availability of grant funding for afterschool programming, private and public school student placements at lower than anticipated levels, and actual executed contract amounts less than budgeted estimates for various services including Assurance of Discontinuance, translation, social media, and police services contracts.

Additionally, BOCES service costs were \$953 thousand less than anticipated due to the closure of the BOCES Kasson Road facility that provided special education services to District students and differences between the actual and budgeted level of related services to be provided for students' individualized education programs (IEPs). Utilities costs were \$854 thousand lower with natural gas prices remaining at 10-year record lows and electric rates following suit through most of the first half of the fiscal year. Transportation costs were \$821 thousand less than anticipated for the year based on routing efficiencies obtained and lower than anticipated costs for the expanded Centro transportation.

## GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$200 thousand more than the final budgeted amount of \$396.1 million. The District had lower than anticipated State Aid mainly in the transportation aid expenditure reimbursement category. The District had higher than anticipated operating transfers in for indirect cost allocations from the School Food Service program and grants as the District received more grants with an indirect cost allocation than anticipated. This allocation is designed to help support the administrative costs associated with operating the School Food Service and grant funded programs.

For a more detailed comparison of budget to actual operating results by category, refer to the Required Supplementary Information Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual for the Year Ended June 30, 2017.

## CAPITAL ASSETS

At June 30, 2017, the District had \$285.4 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net decrease of \$208 thousand or 0.1% from last year, as restated. The District completed the Building Condition Survey and finalized the Greystone project study phase transferring \$6.6 million from construction in progress to buildings and improvements and software and added an additional \$6.9 million to construction in progress as major renovations at various schools throughout the District are implemented under Phase II of the Joint Schools Construction Board school reconstruction program and the first Smart Schools Bond Act (SSBA) project begins.

**Table 4 - Capital Assets at Year End  
(Net of Depreciation/Amortization, in Thousands of Dollars)**

|                            | Governmental Activities |                   | Percentage<br>Change |
|----------------------------|-------------------------|-------------------|----------------------|
|                            | 2016<br>(as restated)   | 2017              |                      |
| Land                       | \$ 1,480                | \$ 1,480          | 0.0%                 |
| Land Improvements          | 79                      | 75                | -5.1%                |
| Buildings and Improvements | 217,742                 | 216,374           | -0.6%                |
| Furniture and Equipment    | 2,827                   | 3,030             | 7.2%                 |
| Vehicles                   | 1,328                   | 1,457             | 9.7%                 |
| Software                   | 2,412                   | 2,984             | 23.7%                |
| Construction in Progress   | 59,770                  | 60,030            | 0.4%                 |
| Total                      | <u>\$ 285,638</u>       | <u>\$ 285,430</u> | -0.1%                |

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

## DEBT ADMINISTRATION

At June 30, 2017, the District had \$130.8 million of bonds payable outstanding compared to \$143.6 million last year, a decrease of \$12.8 million or 8.9% for the principal payments made during the year. The District issued refunding bonds in the current year to refinance existing debt for a lower interest rate. As the District continues to renovate aging facilities, it is anticipated debt will increase in future years.

More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

## CHALLENGES FACING THE DISTRICT

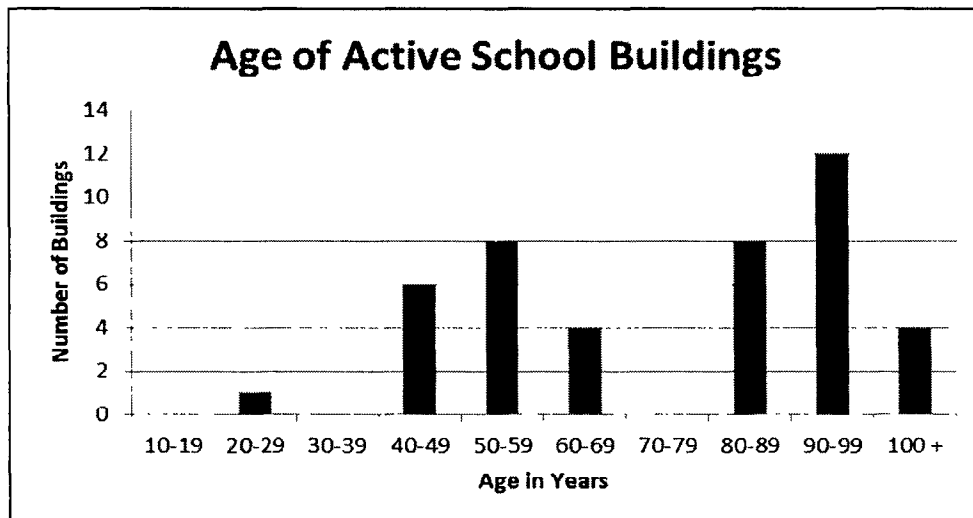
As a dependent school district without the authority to raise taxes or issue debt, the District is directly affected by Local and State economic conditions. Like many urban based districts, the Syracuse City School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily salary, wages, employee benefits, and charter schools), an aging infrastructure and decreasing property tax valuations.

Additionally, a number of policy and funding changes are being deliberated at the Federal level that could potentially impact the District. Changes that are under consideration include: reductions and reallocations of major Federal education funding programs including funding for summer and after-school programs and teacher training; an increased focus on school choice including vouchers for private schools and additional charter school funding; modifications to the nation's health care system; and changes to the Federal Medicaid program. The District is closely monitoring developments at the Federal level so that any changes can be incorporated into both short and long-term financial planning.

Maintaining and operating District facilities also presents a significant challenge, one which is made more difficult given the age of the school buildings. Nearly 60% of the District's facilities are 80 years or older (see Table 5). In response to the need to allocate funds to meet the increasing costs of instructional activities, funding routine maintenance has been curtailed. Consequently, the amount of deferred maintenance continues to increase.

All these challenges impact the District's ability to both attract and retain a high quality instructional and administrative workforce.

**Table 5  
Age of Active Buildings**



## **CHALLENGES FACING THE DISTRICT (Continued)**

As we look forward there are, however, some notable initiatives that will have a positive impact on the District's ability to achieve its mission.

In January 2006, the New York State Legislature authorized the Syracuse Cooperative School Reconstruction Act and the Joint City Schools Construction Board to act as an agent of the City and the Board of Education to implement various school reconstruction projects.

The State authorized the total cost of an initial group of projects not to exceed \$225 million. However, JSCB has elected to limit the cost impact of these projects by reducing the size of the initial phase to \$150 million.

During the 2009-2010 fiscal year, the first phase of roof replacement projects at Clary and Bellevue Academy at Shea were completed. During 2010-2011, the second phase of the roof replacement projects for Clary and Bellevue Academy at Shea were completed. In 2011-2012, construction began on major renovation projects at Central Tech, Dr. Weeks, H.W. Smith, and Fowler. During 2012-13, the Fowler, Dr. Weeks, and Central Tech project reached the substantial completion stage of construction. The H.W. Smith project was substantially complete in December 2013.

In April 2017, JSCB completed a refunding of its Phase I Series 2008 bonds in order to take advantage of favorable interest rates, realizing a net savings of \$3.4 million in debt service costs over the remaining life of the bond.

In May 2013, the Legislature approved an amended version of the Syracuse Cooperative School Reconstruction Act (JSCB Phase II) that authorizes a second phase of up to twenty school reconstruction projects for an amount not to exceed \$300 million. The JSCB Phase II bill was signed into law by the Governor in October 2013. Specific schools to be renovated are named in the legislation. Projects for these schools were to be recommended as part of a comprehensive planning process to be undertaken by the District. The planning process is completed with JSCB approving the Comprehensive Plan in December 2014 and the Office of the State Comptroller approving in June 2015. Design for the first seven Phase II projects is nearing completion and construction is expected to begin in spring 2018. In order to finance the initial design phase of JSCB Phase II projects, the City of Syracuse issued Bond Anticipation Notes (BANs) on behalf of JSCB. As of June 30, 2017, JSCB BANs in the amount of \$29.8 million were outstanding.

To support the District, the Syracuse City School District Educational Foundation (the-Foundation), an independent, non-profit, was formed in 2003 with the mission to supplement, support and enrich the student experience to prepare students for a successful future. The Foundation's grants program has successfully provided funding for a wide array of educational resources such as educational technology, class programming aides, books, tutorial programs, supplies, instructional software programs, equipment, and more.

## CHALLENGES FACING THE DISTRICT (Continued)

The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 for the purpose of creating the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011. The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. In the long term, the improvement of these properties has the potential to increase property tax assessment values and increase the related property tax levy revenue for the District. In the short term, when a property is purchased and ownership transferred to the Land Bank, the property becomes tax exempt and the value of the property is removed from the tax levy reducing the District's property tax revenue. The District's property tax revenue was reduced by approximately \$310 thousand in the current fiscal year for these transfers and other adjustments.

In New York, adequate and equitable funding has been challenged, resulting in a school based funding lawsuit specifically addressing the adequacy of funding for New York City based schools. Several courts, including the New York State Court of Appeals, have determined that the current funding formula in New York State does not provide adequate funding for New York City and therefore students are unable to receive a sound basic education. On November 20, 2006 the New York State Court of Appeals issued a decision indicating a lack of adequate funding for New York City Schools.

In April 2007, the New York State Legislature enacted the State Education Budget and Reform Act of 2007 (Education Act) to offer resources and aid to the highest-need students in the lowest-performing schools. The Legislature passed a budget for the 2008-09 school year that fully funded the aid increases contained in the Education Act. However, school aid was frozen in the 2009-10 budget due to the State's fiscal challenges, and remained frozen in the 2010-11 and 2011-12 school years. Modest increases in school aid were provided beginning in 2012-13 and have continued into 2017-18.

In February 2014, New Yorkers for Students' Educational Rights (NYSER) filed a lawsuit (*NYSER v. State of New York*) on behalf of a group of parents and students from across the State alleging that the State is not providing sufficient funds to schools to allow for all schools to provide the required sound basic education to all students throughout the State. The New York Court of Appeals ruled on this lawsuit in June 2017 determining that the lawsuit can only move forward to trial on behalf of students in New York City and Syracuse, as opposed to all students, because the lawsuit alleged specific deficiencies in these specific districts.

Also, ongoing is *Maisto v. State*, filed in 2008 by parents and students in eight small city school districts in New York alleging that the State is not providing sufficient funding to these districts to provide the required sound basic education to their students. In October 2017, the New York Court of Appeals reversed the original 2016 Supreme Court ruling to dismiss this case, allowing for the case to return to court for a retrial.

## **NEXT YEAR'S BUDGET**

In preparing the 2017-18 operating budget, the District faced several challenges including school receivership requirements, extended learning time and community schools initiatives, alternative education programming and systems of support, enhanced career and technical education programs, an increase in educational accountability, growing charter school enrollment including the opening of a new charter school with K-2 enrollment, and an overall increase in the District's operating costs.

The District's portion of the Property Tax Levy increased by less than 1% over the 2016-17 adopted budget and State aid increased by approximately 4%. Sales tax revenues are projected to decrease by 30%. The budget includes \$8.9 million in appropriated fund balance.

In order to balance the budget, the District will apply for a special apportionment provided pursuant to the New York State Laws of 2017 which allows school districts to accrue a portion of their subsequent year's State aid into the current fiscal year.

The District, in conjunction with the City of Syracuse, continues to aggressively manage its spending and evaluate opportunities for increased efficiency, consolidation and cost reduction.

## **CONTACTING THE DISTRICT FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact:

The Office of the Chief Financial Officer  
Syracuse City School District  
1025 Erie Blvd. West  
Syracuse, New York 13204-2749  
Fax (315) 435-6321  
Telephone (315) 435-4826

Although the Joint Schools Construction Board (JSCB) is a blended component unit of the District, JSCB issues a separate financial statement. To obtain this report, please contact:

The Commissioner of Finance  
Joint Schools Construction Board  
City Hall  
Syracuse, New York 13202

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>ASSETS</b>  |                            |
| Pooled cash and cash equivalents held by City                    | \$ 33,212,873              |
| Pooled cash and cash equivalents held by District                | 131,036                    |
| Pooled Restricted cash and cash equivalents held by City         | 34,939,953                 |
| Pooled Restricted cash and cash equivalents held by District     | 16,995                     |
| Receivables:   |                            |
| State and Federal aid  | 64,905,219                 |
| Due from other governments                                       | 183,944                    |
| Due from City  | 3,812,613                  |
| Other  | 3,936,048                  |
| Inventories  | 1,616,052                  |
| Prepaid expenses   | 13,444                     |
| Capital assets, net of accumulated depreciation/<br>amortization | 285,429,939                |
| Total Assets   | <u>428,198,116</u>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                            |                            |
| Deferred outflows of resources- TRS Pension                      | 118,179,149                |
| Deferred outflows of resources- ERS Pension                      | 8,957,003                  |
| Deferred charges   | 819,269                    |
| Total Deferred Outflows of Resources                             | <u>127,955,421</u>         |
| <b>LIABILITIES</b>   |                            |
| Payables:  |                            |
| Accounts payable   | 22,597,331                 |
| Accrued expenses   | 5,196,725                  |
| Accrued payroll  | 2,458,360                  |
| Due to other governments   | 919,585                    |
| Accrued interest   | 1,059,765                  |
| Due to Fiduciary Funds   | 188,304                    |
| Bond anticipation notes  | 29,800,000                 |
| Long-term liabilities:   |                            |
| Due and payable within one year:                                 |                            |
| Bonds payable  | 11,230,185                 |
| Premium on bonds payable   | 842,299                    |
| Compensated absences payable                                     | 6,052,718                  |
| Due to retirement systems  | 24,046,768                 |
| Self-insured employee health plan claims                         | 331,156                    |
| Self-insured workers' compensation claims                        | 5,136,795                  |
| Lottery aid payable  | 1,016,667                  |
| Due and payable in more than one year:                           |                            |
| Bonds payable  | 119,540,561                |
| Premium on bonds payable   | 7,695,351                  |
| Self-insured workers' compensation claims                        | 31,757,080                 |
| Other postemployment benefits                                    | 486,332,866                |
| Net pension liability  | 25,121,771                 |
| Lottery aid payable  | 18,033,333                 |
| Total Liabilities  | <u>799,357,620</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |                            |
| Deferred inflows of resources- TRS Pension                       | 9,039,622                  |
| Deferred inflows of resources- ERS Pension                       | 2,254,473                  |
| Total Deferred Inflows of Resources                              | <u>11,294,095</u>          |
| <b>NET POSITION</b>  |                            |
| Net investment in capital assets                                 | 179,964,203                |
| Restricted   | 11,690,293                 |
| Unrestricted (deficit)   | <u>(446,152,673)</u>       |
| Total Net Position   | <u>\$ (254,498,177)</u>    |

The accompany notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | Expenses              | Program Revenues     |                                  | Net (Expense)                      |
|---|-----------------------|----------------------|----------------------------------|------------------------------------|
|   |                       | Charges for Services | Operating Grants & Contributions | Revenue and Change in Net Position |
| General support                                     | \$ 61,621,620         | \$ -                 | \$ -                             | \$ (61,621,620)                    |
| Instruction   | 377,960,666           | 184,829              | 68,999,819                       | (308,776,018)                      |
| Pupil transportation                                | 24,722,394            | -                    | 480,135                          | (24,242,259)                       |
| Community service                                   | 1,111,079             | -                    | 1,033,685                        | (77,394)                           |
| School food service program                         | 13,978,080            | 273,972              | 14,942,310                       | 1,238,202                          |
| Interest  | 6,583,454             | -                    | -                                | (6,583,454)                        |
| <b>Total</b>  | <b>\$ 485,977,293</b> | <b>\$ 458,801</b>    | <b>\$ 85,455,949</b>             | <b>(400,062,543)</b>               |
| <b>GENERAL REVENUES</b>                             |                       |                      |                                  |                                    |
| General property taxes                              |                       |                      |                                  | 58,556,586                         |
| Nonproperty taxes                                   |                       |                      |                                  | 654,940                            |
| Use of money and property                           |                       |                      |                                  | 262,915                            |
| Sale of property and compensation for loss          |                       |                      |                                  | 232,777                            |
| Miscellaneous                                       |                       |                      |                                  | 769,217                            |
| State and local sources                             |                       |                      |                                  | 328,524,063                        |
| Federal sources                                     |                       |                      |                                  | 2,277,582                          |
| <b>Total General Revenues</b>                       |                       |                      |                                  | <b>391,278,080</b>                 |
| Change in Net Position                              |                       |                      |                                  | (8,784,463)                        |
| Total Net Position - beginning of year              |                       |                      |                                  | (281,544,747)                      |
| Prior Period Adjustment                             |                       |                      |                                  | 35,831,033                         |
| Total Net Position - beginning of year, as restated |                       |                      |                                  | (245,713,714)                      |
| Total Net Position - end of year                    |                       |                      |                                  | <b>\$ (254,498,177)</b>            |

The accompanying notes are an integral part of these statements



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
BALANCE SHEET- GOVERNMENTAL FUNDS  
JUNE 30, 2017**

|  | General              | Special<br>Aid       | Joint Schools<br>Construction<br>Board | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|--|--------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                      |  |                          |                                |
| <b>CASH:</b>   |                      |                      |  |                          |                                |
| Pooled cash and cash equivalents held by City                | \$ 33,212,873        | \$ -                 | \$ -                                   | \$ -                     | \$ 33,212,873                  |
| Pooled cash and cash equivalents held by District            | 131,036              | -                    | -                                      | -                        | 131,036                        |
| Pooled restricted cash and cash equivalents held by City     | 1,923,128            | -                    | 29,617,850                             | 3,398,975                | 34,939,953                     |
| Pooled restricted cash and cash equivalents held by District | -                    | -                    | -                                      | 16,995                   | 16,995                         |
| <b>RECEIVABLES:</b>  |                      |                      |  |                          |                                |
| Due from other funds   | 4,610,262            | -                    | -                                      | 10,962,674               | 15,572,936                     |
| State and Federal aid  | 45,728,574           | 17,938,356           | -                                      | 1,238,289                | 64,905,219                     |
| Due from other governments                                   | 183,944              | -                    | -                                      | -                        | 183,944                        |
| Due from JSCB  | 2,166,958            | -                    | -                                      | -                        | 2,166,958                      |
| Due from the City  | 3,812,613            | -                    | -                                      | -                        | 3,812,613                      |
| Other  | 290,167              | 3,615,153            | -                                      | 30,728                   | 3,936,048                      |
| <b>INVENTORY</b>   | 1,037,120            | -                    | -                                      | 578,932                  | 1,616,052                      |
| <b>PREPAID EXPENSES</b>                                      | 13,444               | -                    | -                                      | -                        | 13,444                         |
| <b>Total assets</b>  | <b>\$ 93,110,119</b> | <b>\$ 21,553,509</b> | <b>\$ 29,617,850</b>                   | <b>\$ 16,226,593</b>     | <b>\$ 160,508,071</b>          |
| <b>LIABILITIES</b>   |                      |                      |  |                          |                                |
| <b>PAYABLES:</b>   |                      |                      |  |                          |                                |
| Accounts payable   | \$ 17,592,722        | \$ 3,881,936         | \$ -                                   | \$ 1,122,673             | \$ 22,597,331                  |
| Accrued expenses   | 4,391,385            | -                    | 805,340                                | -                        | 5,196,725                      |
| Accrued payroll  | 1,787,365            | 558,536              | -                                      | 112,459                  | 2,458,360                      |
| Due to other governments                                     | -                    | 916,755              | -                                      | 2,830                    | 919,585                        |
| Due to other funds   | -                    | 15,761,240           | -                                      | -                        | 15,761,240                     |
| Due to the District  | -                    | -                    | 2,166,958                              | -                        | 2,166,958                      |
| <b>NOTES PAYABLE:</b>  |                      |                      |  |                          |                                |
| Bond anticipation note                                       | -                    | -                    | 29,800,000                             | -                        | 29,800,000                     |
| <b>OTHER LIABILITIES:</b>                                    |                      |                      |  |                          |                                |
| Due to retirement systems                                    | 24,046,768           | -                    | -                                      | -                        | 24,046,768                     |
| Self-insured workers' compensation claims                    | 1,459,716            | -                    | -                                      | -                        | 1,459,716                      |
| <b>Total liabilities</b>                                     | <b>49,277,956</b>    | <b>21,118,467</b>    | <b>32,772,298</b>                      | <b>1,237,962</b>         | <b>104,406,683</b>             |
| <b>FUND BALANCE</b>  |                      |                      |  |                          |                                |
| <b>NON-SPENDABLE</b>   | 1,050,564            | -                    | -                                      | 578,932                  | 1,629,496                      |
| <b>RESTRICTED</b>  | -                    | 435,042              | (3,154,448)                            | 14,409,699               | 11,690,293                     |
| <b>ASSIGNED</b>  | 14,122,478           | -                    | -                                      | -                        | 14,122,478                     |
| <b>UNASSIGNED</b>  | 28,659,121           | -                    | -                                      | -                        | 28,659,121                     |
| <b>Total fund balance</b>                                    | <b>43,832,163</b>    | <b>435,042</b>       | <b>(3,154,448)</b>                     | <b>14,988,631</b>        | <b>56,101,388</b>              |
| <b>Total liabilities and fund balance</b>                    | <b>\$ 93,110,119</b> | <b>\$ 21,553,509</b> | <b>\$ 29,617,850</b>                   | <b>\$ 16,226,593</b>     | <b>\$ 160,508,071</b>          |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

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Amounts reported for governmental activities in the statement of net position are different because:

|  |                         |
|--|-------------------------|
| Total governmental fund balances   | \$ 56,101,388           |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds   | 285,429,939             |
| Deferred charges recorded as incurred in the funds   | 819,269                 |
| GASB 68 related government wide activity   |                         |
| Deferred outflows of resources   | 127,136,152             |
| Net pension liability  | (25,121,771)            |
| Deferred inflows of resources  | (11,294,095)            |
| Accrued interest not paid and therefore not reported in the funds  | (1,059,765)             |
| Long-term liabilities, including bonds payable, compensated absences and other employee benefits, are not due and payable in the current period and therefore are not reported in the funds. | <u>(686,509,294)</u>    |
| Net position of governmental activities  | <u>\$ (254,498,177)</u> |

The accompanying notes are an integral part of these statements

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

|   | General            | Special<br>Aid    | Joint Schools<br>Construction<br>Board | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
|---|--------------------|-------------------|--|--------------------------|--------------------------------|
| <b>REVENUES</b>   |                    |                   |  |                          |                                |
| General property taxes  | \$ 58,556,586      | \$ -              | \$ -                                   | \$ -                     | \$ 58,556,586                  |
| Nonproperty taxes   | 654,940            | -                 | -                                      | -                        | 654,940                        |
| Charges for services  | 184,829            | -                 | -                                      | -                        | 184,829                        |
| Use of money and property   | 262,761            | -                 | -                                      | 154                      | 262,915                        |
| Sale of property and<br>compensation for loss   | 232,777            | -                 | -                                      | -                        | 232,777                        |
| Miscellaneous   | 769,217            | -                 | -                                      | -                        | 769,217                        |
| State and local sources   | 327,268,491        | 30,996,578        | -                                      | 1,627,750                | 359,892,819                    |
| Federal sources   | 1,563,970          | 39,517,061        | 713,612                                | 13,716,558               | 55,511,201                     |
| Surplus food  | -                  | -                 | -                                      | 853,574                  | 853,574                        |
| Sales - School Food Service Program   | -                  | -                 | -                                      | 273,972                  | 273,972                        |
| Pass-through New York State funding from the District                                   | -                  | -                 | 11,826,463                             | -                        | 11,826,463                     |
| <b>Total revenues</b>   | <b>389,493,571</b> | <b>70,513,639</b> | <b>12,540,075</b>                      | <b>16,472,008</b>        | <b>489,019,293</b>             |
| <b>EXPENDITURES</b>   |                    |                   |  |                          |                                |
| General support   | 55,255,037         | -                 | -                                      | 7,221,308                | 62,476,345                     |
| Instruction   | 285,513,075        | 70,699,999        | -                                      | -                        | 356,213,074                    |
| Pupil transportation  | 22,721,568         | 491,966           | -                                      | -                        | 23,213,534                     |
| Community service   | -                  | 1,059,155         | -                                      | -                        | 1,059,155                      |
| Pass-through New York State funding to JSCB   | 11,826,463         | -                 | -                                      | -                        | 11,826,463                     |
| Debt service:   |                    |                   |  |                          |                                |
| Principal   | 105,000            | -                 | 6,865,000                              | 6,315,660                | 13,285,660                     |
| Interest  | 721,290            | -                 | 4,961,463                              | 1,816,215                | 7,498,968                      |
| Debt issuance costs   | -                  | -                 | 439,315                                | -                        | 439,315                        |
| Cost of sales   | -                  | -                 | -                                      | 6,055,108                | 6,055,108                      |
| Capital outlay  | -                  | -                 | 5,194,204                              | 1,707,407                | 6,901,611                      |
| <b>Total expenditures</b>   | <b>376,142,433</b> | <b>72,251,120</b> | <b>17,459,982</b>                      | <b>23,115,698</b>        | <b>488,969,233</b>             |
| Excess (deficiency) of revenues<br>over expenditures                                    | 13,351,138         | (1,737,481)       | (4,919,907)                            | (6,643,690)              | 50,060                         |
| <b>OTHER FINANCING SOURCES AND USES</b>   |                    |                   |  |                          |                                |
| BANs redeemed from appropriations   | -                  | -                 | 105,000                                | -                        | 105,000                        |
| Premium on issuance of bond anticipation note   | -                  | -                 | 231,633                                | -                        | 231,633                        |
| Proceeds from debt  | -                  | -                 | -                                      | 3,500,000                | 3,500,000                      |
| Proceeds of refunding bonds   | -                  | -                 | 29,260,000                             | -                        | 29,260,000                     |
| Premium on issuance of debt   | -                  | -                 | -                                      | 367,608                  | 367,608                        |
| Premium on refunding bonds  | -                  | -                 | 4,663,314                              | -                        | 4,663,314                      |
| Deposit to escrow agent   | -                  | -                 | (33,483,998)                           | -                        | (33,483,998)                   |
| Operating transfers in  | 6,765,831          | 3,954,765         | -                                      | 8,798,812                | 19,519,408                     |
| Operating transfers out   | (12,750,175)       | (2,149,636)       | (3,067,392)                            | (1,552,205)              | (19,519,408)                   |
| <b>Total other sources (uses)</b>   | <b>(5,984,344)</b> | <b>1,805,129</b>  | <b>(2,291,443)</b>                     | <b>11,114,215</b>        | <b>4,643,557</b>               |
| Excess (deficiency) of revenues<br>and other sources over<br>Net change in fund balance | 7,366,794          | 67,648            | (7,211,350)                            | 4,470,525                | 4,693,617                      |
| Fund balance - beginning of year  | 34,869,323         | 367,394           | 5,652,948                              | 10,518,106               | 51,407,771                     |
| Prior period adjustment   | 1,596,046          | -                 | (1,596,046)                            | -                        | -                              |
| Fund balance - beginning of year, as restated   | 36,465,369         | 367,394           | 4,056,902                              | 10,518,106               | 51,407,771                     |
| Fund balance - end of year  | \$ 43,832,163      | \$ 435,042        | \$ (3,154,448)                         | \$ 14,988,631            | \$ 56,101,388                  |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

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|   |                       |
|---|-----------------------|
| Net Change in Fund Balance - Total Governmental Funds   | \$ 4,693,617          |
| Amounts reported for governmental activities in the Statement of Activities and Change in Net Position are different because:   |                       |
| Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.   | (9,677,680)           |
| Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.   | 9,468,934             |
| Payment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.  | 13,180,660            |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.  | 683,881               |
| Some expenses reported in the statement of activities, such as compensated absences and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | (22,366,563)          |
| Pension income(expense) resulting from GASB 68 related pension actuary reporting is not recorded as income(expense) in the government funds but is recorded in the statement of activities.   | (460,388)             |
| Payments of debt to an escrow agent are an other financing use in the governmental funds but a debt payment decreases long-term liabilities in the statement of net assets.   | 33,483,998            |
| Proceeds from debt are an other financing source in the governmental funds but a debt issuance increases long-term liabilities in the statement of net position.  | (32,760,000)          |
| Premiums on debt are an other financing source in the governmental funds but are deferred and amortized over the life of the debt issued in the statement of net position.  | <u>(5,030,922)</u>    |
| Change in Net Position of Governmental Activities   | <u>\$ (8,784,463)</u> |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS**  
**JUNE 30, 2017**

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|                                  | Private<br>Purpose<br>Trusts | Agency            |
|----------------------------------|------------------------------|-------------------|
| <b>ASSETS</b>                    |                              |                   |
| Restricted cash held by District | \$ 178,890                   | \$ 156,008        |
| Due from other funds             | <u>-</u>                     | <u>210,494</u>    |
| Total assets                     | <u>178,890</u>               | <u>366,502</u>    |
| <b>LIABILITIES</b>               |                              |                   |
| Due to other funds               | 22,190                       | -                 |
| Other liabilities                | <u>-</u>                     | <u>366,502</u>    |
| Total liabilities                | <u>22,190</u>                | <u>\$ 366,502</u> |
| <b>NET POSITION</b>              |                              |                   |
| Held in trust for scholarships   | <u>\$ 156,700</u>            |                   |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION- FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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|                                  | <u>Private<br/>Purpose<br/>Trusts</u> |
|----------------------------------|---------------------------------------|
| <b>ADDITIONS</b>                 |                                       |
| Contributions                    | \$ <u>22,584</u>                      |
| Total additions                  | <u>22,584</u>                         |
| <br><b>DEDUCTIONS</b>            |                                       |
| Loss on investment               | 4,393                                 |
| Scholarships and awards          | <u>22,190</u>                         |
| Total deductions                 | <u>26,583</u>                         |
| Change in net position           | (3,999)                               |
| Net position - beginning of year | <u>160,699</u>                        |
| Net position - end of year       | <u>\$ 156,700</u>                     |

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City School District of Syracuse, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below.

**A. Financial Reporting Entity**

The City School District of Syracuse, New York is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying basic financial statements are those transactions which comprise school district operations, and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, functions and organizations over which the School District Officials exercise oversight responsibility and the activities of a blended component unit, the Joint Schools Construction Board.

The reporting entity of the District is based upon criteria set forth by GASB Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement 61, the District is a blended component unit of the City of Syracuse, New York (the City).

The accompanying financial statements present the activities of the District including the Extraclassroom Activity Funds (the ECA Funds).

The ECA Funds are independent of the District with respect to financial transactions and the designation of student management, however, the Board of Education exercises general oversight of these funds. The District accounts for the ECA Funds in the Agency Fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the District's business office.

*Joint Schools Construction Board Blended Component Unit (JSCB)*

Under GASB Statement 61, JSCB is a blended component unit of the District based on the criteria that JSCB provides services almost exclusively to the District. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, City Hall, Syracuse, New York 13202. JSCB has a fiscal year which ends June 30.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basis of Presentation

#### *Government-wide Financial Statements:*

The Statement of Net Position and the Statement of Activities and Changes in Net Position present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities and Changes in Net Position presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### *Fund Financial Statements:*

The fund financial statements provide information about the District's funds and blended component unit, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds and blended component unit:

#### **General Fund**

This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

#### **Special Aid Fund**

This fund accounts for the proceeds of specific revenue sources, such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.

#### **Joint Schools Construction Board (JSCB) Blended Component Unit**

The JSCB is a joint venture between the District and the City. This blended component unit is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable State and Local laws.



1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

The District reports the following governmental funds as non-major governmental funds:

**School Food Service Fund**

This fund accounts for the financial transactions related to the food service operations of the District.

**Capital Projects Fund**

This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes.

**Debt Service Fund**

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term debt of governmental activities. Financing is provided by transfers from the General Fund and the Capital Projects Fund.

**Permanent Fund**

This fund is used to account for trust arrangements in which the District is the beneficiary of the earnings on the principal.

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the District, and are not available to be used. The District reports the following fiduciary funds:

**Private Purpose Trusts Fund**

This fund is used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs.

**Agency Fund**

This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or ECA Funds and for payroll or employee withholding.

**C. Measurement Focus and Basis of Accounting**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after the end of the fiscal year.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Revenue, Expenditures and Expenses**

**Property Taxes**

Real property taxes are levied annually by the Council. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City.

**Intergovernmental Revenues - Grants**

Revenues and expenditures from Federal and State grants are typically recorded in the general and special revenue funds. The District follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

**Program Revenues**

Program revenues include charges for services, and operating/capital grants and contributions that directly relate to a function such as general support, instruction, etc.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Current (further classified by function)

Debt Service

Cost of Sales

Capital Outlay

**Indirect Expenses**

Indirect expenses are allocated based upon a percentage of governmental fund expenditures by function.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Revenue, Expenditures and Expenses (Continued)

#### **Interfund Transfers and Interfund Receivables and Payables**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

#### **Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### E. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, cash held by the City, cash held by fiscal agents, and short-term investments with original maturities of three months or less from date of acquisition.

JSCB's cash and cash equivalents consist of restricted cash held for project expenditures/expenses and debt service payments, and the proceeds from bond sales can only be used for the stated purpose of the borrowing. All funds are held in trust in accordance with an indenture trust agreement.

New York State (the State) law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit at commercial banks not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Cash and Cash Equivalents (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the District's name. The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2017.

The District was invested only in the above-mentioned obligations and, accordingly, was not exposed to any interest rate risk.

All cash and equivalents restricted by external sources are held by the City for the benefit of the District and are reflected on the books and records of the City.

### F. Restricted Assets

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds from bond sales can only be used for the stated purpose of the borrowing. Donations to be used toward scholarships in the Private Purpose Trusts Fund and funds supporting ECA Funds in the Agency Fund are restricted specifically for those purposes.

### G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end but not yet received. Major receivable balances for the governmental activities include grants.

In the fund financial statements, receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within ninety days since they would be considered both measurable and available.

### H. Inventory and Prepaid Items

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded at cost on an average cost basis.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets (Fixed Assets)**

Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment and vehicles as well as intangibles such as software, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years.

Capital assets are reported at actual cost or estimated historical costs if purchased or constructed. Donated assets are reported at estimated fair market value at the time received.

The District depreciates/amortizes capital assets using the straight-line method over the estimated useful life of the asset beginning in the first month after completion or acquisition of the asset. The range of estimated useful lives by type of asset is as follows:

| <u>Type of Asset</u>       | <u>Estimated Useful Lives</u> |
|----------------------------|-------------------------------|
| Land improvements          | 20 years                      |
| Buildings and improvements | 39 years                      |
| Furniture and equipment    | 6 -10 years                   |
| Vehicles                   | 3 - 9 years                   |
| Software                   | 5 -10 years                   |

**J. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has \$127,955,421 in deferred outflows of resources which is comprised of TRS and ERS Pension amounts and deferred losses on the early retirement of debt at June 30, 2017 as described in Note 5 and Note 7, respectively. The District has \$11,294,095 in deferred inflows of resources which is comprised of TRS and ERS Pension amounts at June 30, 2017 as described in Note 7.

**K. Compensated Absences**

Compensated absences consist of unpaid vested annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with governmental accounting standards, an accrual for vested sick leave and vacation time is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractual provisions.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, the General Fund reports only the compensated absence liability payable from expendable available financial resources. These amounts are expensed on a pay-as-you-go basis.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Other Benefits**

District employees participate in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS).

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. See Note 8 for further information. There are currently approximately 7,100 individuals receiving benefits under the plan.

**M. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, if any, are deposited in the Debt Service Fund or JSCB, a blended component unit, and used to retire debt in the respective fund or unit. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

**N. Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – reports net position when constraints are placed on the assets or deferred outflows of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Restricted net position includes the following:

|   |    |                   |
|---|----|-------------------|
| Special Aid Fund                        | \$ | 435,042           |
| Joint Schools Construction Board (JSCB) |    | (3,154,448)       |
| School Food Service Fund                |    | 8,337,920         |
| Capital Projects                        |    | 5,518,433         |
| Debt Service                            |    | 536,351           |
| Permanent Fund                          |    | <u>16,995</u>     |
| Total restricted net position           | \$ | <u>11,690,293</u> |

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Equity Classifications (Continued)**

*Government-wide Statements (Continued)*

- c. Unrestricted net position - reports the balance of net position that does not meet the definition of restricted or net investment in capital assets and is deemed to be available for general use by the District.

*Fund Statements*

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: non-spendable, restricted, committed, assigned and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent. In the fund basis statements, there are five classifications of fund balance:

- a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of \$1,050,564 and the inventory in the School Food Service Fund of \$578,932.
- b. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The definition of restricted fund balance is the same as restricted net position.
- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2017.
- d. Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Chief Financial Officer has been authorized by the Board of Education to assign fund balance. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. As of June 30, 2017, the District's General Fund encumbrances amounted to \$2,022,478, classified as follows:

|                                 |                     |
|---------------------------------|---------------------|
| General Fund encumbrances:      |                     |
| General Support                 | \$ 703,563          |
| Instruction                     | 1,051,161           |
| Transportation                  | <u>267,754</u>      |
| Total General Fund encumbrances | <u>\$ 2,022,478</u> |

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The District appropriated \$8,900,000 of fund balance to be used to fund fiscal year 2017-2018 operating expenditures. The District also assigned \$3,200,000 to fund the estimated November 2019 JSCB debt service payment for Phase II Projects.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Equity Classifications (Continued)**

*Fund Statements (Continued)*

- e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the District. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

*Order of Use of Fund Balance*

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**O. Economic Dependency**

The District receives significant funding from the U.S. Department of Agriculture, the U.S. Department of Education and other Federal, State, and Local sources. Curtailment of such revenue would have a significant impact on the District's programs.

**P. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.



## 2. BUDGETS AND BUDGETARY ACCOUNTING

### Budget Policies

- a. The District administration prepares a proposed budget for approval by the Board of Education and the City for the following governmental fund for which legal (appropriated) budgets are adopted: General Fund.
- b. A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year-end unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

An annual budget is not adopted for the Special Aid Fund. Budgetary controls are established in accordance with grant agreements.

## 3. INTERFUND TRANSACTIONS

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions during the year ended June 30, 2017 and balances at June 30, 2017:

| Fund                  | Interfund            |                      | Interfund            |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                       | Receivable           | Payable              | Revenues             | Expenditures         |
| General               | \$ 6,777,220         | \$ -                 | \$ 6,765,831         | \$ 12,750,175        |
| Special aid           | -                    | 15,761,240           | 3,954,765            | 2,149,636            |
| JSCB                  | -                    | 2,166,958            | -                    | 3,067,392            |
| School food service   | 8,210,503            | -                    | -                    | 1,548,803            |
| Capital projects      | 2,215,820            | -                    | 663,535              | 3,402                |
| Debt service          | 536,351              | -                    | 8,135,277            | -                    |
| Private purpose trust | -                    | 22,190               | -                    | -                    |
| Agency                | 210,494              | -                    | -                    | -                    |
| <b>Total</b>          | <b>\$ 17,950,388</b> | <b>\$ 17,950,388</b> | <b>\$ 19,519,408</b> | <b>\$ 19,519,408</b> |

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017:

|   | Beginning<br>Balance at<br><u>June 30, 2016</u> | Prior period<br>adjustment | As restated<br>Balance at<br><u>June 30, 2016</u> | Additions/<br>Transfers | Disposals/<br>Transfers | Balance at<br><u>June 30, 2017</u> |
|---|---|----------------------------|---|-------------------------|-------------------------|------------------------------------|
| Land (not depreciable)                          | \$ 1,480,325                                    | \$ -                       | \$ 1,480,325                                      | \$ -                    | \$ -                    | \$ 1,480,325                       |
| Land improvements                               | 3,981,647                                       | -                          | 3,981,647   | -                       | -                       | 3,981,647                          |
| Buildings and improvements                      | 410,254,403                                     | -                          | 410,254,403                                       | 10,345,713              | -                       | 420,600,116                        |
| Furniture and equipment                         | 14,053,291                                      | -                          | 14,053,291  | 811,521                 | (4,794,728)             | 10,070,084                         |
| Vehicles  | 4,992,092                                       | -                          | 4,992,092   | 726,037                 | (682,655)               | 5,035,474                          |
| Software  | 6,700,080                                       | -                          | 6,700,080   | 1,481,976               | (662,171)               | 7,519,885                          |
| Construction in progress<br>(not depreciable)   | <u>23,938,714</u>                               | <u>35,831,033</u>          | <u>59,769,747</u>                                 | <u>6,901,610</u>        | <u>(6,641,326)</u>      | <u>60,030,031</u>                  |
| Total capital assets                            | <u>465,400,552</u>                              | <u>35,831,033</u>          | <u>501,231,585</u>                                | <u>20,266,857</u>       | <u>(12,780,880)</u>     | <u>508,717,562</u>                 |
| Less: Accumulated<br>depreciation/amortization: |   |                            |   |                         |                         |                                    |
| Land improvements                               | (3,902,532)                                     | -                          | (3,902,532)                                       | (4,143)                 | -                       | (3,906,675)                        |
| Buildings and improvements                      | (192,512,249)                                   | -                          | (192,512,249)                                     | (11,714,861)            | -                       | (204,227,110)                      |
| Furniture and equipment                         | (11,226,306)                                    | -                          | (11,226,306)                                      | (608,287)               | 4,794,728               | (7,039,865)                        |
| Vehicles  | (3,664,095)                                     | -                          | (3,664,095)                                       | (596,606)               | 682,655                 | (3,578,046)                        |
| Software  | <u>(4,287,718)</u>                              | <u>-</u>                   | <u>(4,287,718)</u>                                | <u>(910,380)</u>        | <u>662,171</u>          | <u>(4,535,927)</u>                 |
| Total accumulated depreciation/<br>amortization | <u>(215,592,900)</u>                            | <u>-</u>                   | <u>(215,592,900)</u>                              | <u>(13,834,277)</u>     | <u>6,139,554</u>        | <u>(223,287,623)</u>               |
| Capital assets, net                             | <u>\$ 249,807,652</u>                           | <u>\$ 35,831,033</u>       | <u>\$ 285,638,685</u>                             | <u>\$ 6,432,580</u>     | <u>\$ (6,641,326)</u>   | <u>\$ 285,429,939</u>              |

All capital assets including intangibles, with the exception of land and construction in progress, are being depreciated/amortized over their estimated useful lives.

Depreciation/amortization expense was charged as follows:

|   |                     |
|---|---------------------|
| Instruction                             | \$ 7,591,851        |
| Support service:                        |                     |
| General                                 | 1,331,538           |
| Pupil transportation                    | 494,742             |
| School food service                     | <u>50,803</u>       |
| Total depreciation/amortization expense | <u>\$ 9,468,934</u> |

## 5. CAPITAL INDEBTEDNESS

The District borrows money in order to meet current operating requirements and to acquire or construct buildings and improvements. For acquisition or construction of buildings and improvements this enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers and others for liquidation of both current and long-term liabilities.

Long-term liability activity for the year ended June 30, 2017:

|   | Balance at<br>July 1, 2016 | Additions             | Reductions            | Balance at<br>June 30, 2017 | Amount due<br>in one year | Due in<br>more than<br>one year |
|---|----------------------------|-----------------------|-----------------------|-----------------------------|---------------------------|---------------------------------|
| <b>Bonds payable:</b>                       |                            |                       |                       |                             |                           |                                 |
| Bonds payable                               | \$ 143,556,406             | \$ 32,760,000         | \$ 45,545,660         | \$ 130,770,746              | \$ 11,230,185             | \$ 119,540,561                  |
| Premiums on bonds payable                   | <u>5,457,080</u>           | <u>5,030,922</u>      | <u>1,950,352</u>      | <u>8,537,650</u>            | <u>842,299</u>            | <u>7,695,351</u>                |
| Total bonds payable                         | <u>149,013,486</u>         | <u>37,790,922</u>     | <u>47,496,012</u>     | <u>139,308,396</u>          | <u>12,072,484</u>         | <u>127,235,912</u>              |
| <b>Other liabilities:</b>                   |                            |                       |                       |                             |                           |                                 |
| Compensated absences payable                | 4,618,337                  | 11,378,417            | 9,944,036             | 6,052,718                   | 6,052,718                 | -                               |
| Other postemployment benefits               | 462,086,271                | 42,787,319            | 18,540,724            | 486,332,866                 | -                         | 486,332,866                     |
| Due to retirement systems                   | 26,356,978                 | 23,981,145            | 26,291,355            | 24,046,768                  | 24,046,768                | -                               |
| Self-insurance health plan claims           | 1,394,402                  | 54,172,537            | 55,235,783            | 331,156                     | 331,156                   | -                               |
| Self-insurance workers' compensation claims | 38,104,417                 | 4,094,799             | 5,305,341             | 36,893,875                  | 5,136,795                 | 31,757,080                      |
| Net pension liability                       | 21,238,050                 | 3,883,721             | -                     | 25,121,771                  | -                         | 25,121,771                      |
| Lottery aid payable                         | <u>20,066,667</u>          | <u>-</u>              | <u>1,016,667</u>      | <u>19,050,000</u>           | <u>1,016,667</u>          | <u>18,033,333</u>               |
| Total other liabilities                     | <u>573,865,122</u>         | <u>140,297,938</u>    | <u>116,333,906</u>    | <u>597,829,154</u>          | <u>36,584,104</u>         | <u>561,245,050</u>              |
| Long-term liabilities                       | <u>\$ 722,878,608</u>      | <u>\$ 178,088,860</u> | <u>\$ 163,829,918</u> | <u>\$ 737,137,550</u>       | <u>\$ 48,656,588</u>      | <u>\$ 688,480,962</u>           |

Payments on bonds payable, with the exception of JSCB, that pertain to the District's governmental activities are made by the Debt Service Fund. Liabilities for compensated absences, retirement, self-insurance claims, environmental remediation and judgments and claims will be liquidated by the General Fund.

### Revenue and Bond Anticipation Notes Payable

The District and JSCB may issue revenue anticipation notes, bond anticipation notes and tax anticipation notes, in anticipation of the receipt of revenues. For governmental funds, these notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. Revenue anticipation and tax anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. Bond anticipation notes represent a liability that will be extinguished by the use of bond proceeds when bonds are issued.

5. CAPITAL INDEBTEDNESS (Continued)

Revenue and Bond Anticipation Notes Payable (Continued)

The District's short-term debt activity for the year ended June 30, 2017:

|                            | <u>Balance at</u><br><u>July 1, 2016</u> | <u>Issued</u>        | <u>Redeemed</u>      | <u>Balance at</u><br><u>June 30, 2017</u> |
|----------------------------|--|----------------------|----------------------|---|
| Revenue anticipation notes | \$ <u>          -</u>                    | \$ <u>68,439,000</u> | \$ <u>68,439,000</u> | \$ <u>          -</u>                     |

The JSCB's short-term debt activity for the year ended June 30, 2017:

|                         | <u>Balance at</u><br><u>July 1, 2016</u> | <u>Issued</u>        | <u>Redeemed</u>     | <u>Balance at</u><br><u>June 30, 2017</u> |
|-------------------------|--|----------------------|---------------------|---|
| Bond anticipation notes | \$ <u>7,905,000</u>                      | \$ <u>31,800,000</u> | \$ <u>9,905,000</u> | \$ <u>29,800,000</u>                      |

**Bonds Payable**

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the District. Bonds outstanding at June 30, 2017 consisted of the following:

| <u>Date of Issuance</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance</u><br><u>June 30, 2017</u> |
|-------------------------|----------------------|----------------------|--|
| May 15, 2014            | 2019                 | 2.000 - 5.000        | \$1,095,000                            |
| July 28, 2005           | 2019                 | 2.625 - 5.000        | 32,665                                 |
| September 30, 2010      | 2019                 | 2.000 - 4.000        | 3,015,000                              |
| July 28, 2005           | 2021                 | 3.000 - 5.000        | 3,515,000                              |
| June 3, 2009            | 2022                 | 4.000 - 5.000        | 236,676                                |
| September 30, 2010      | 2022                 | 2.000 - 4.000        | 4,655,000                              |
| June 13, 2012           | 2022                 | 2.000 - 5.000        | 478,000                                |
| June 15, 2010           | 2023                 | 2.500 - 5.000        | 278,405                                |
| June 15, 2008           | 2024                 | 3.250 - 5.000        | 7,200,000                              |
| May 15, 2014            | 2025                 | 2.000 - 5.000        | 5,850,000                              |
| May 28, 2015            | 2027                 | 4.000 - 5.000        | 6,255,000                              |
| December 23, 2010       | 2027                 | 3.000 - 6.000        | 23,195,000                             |
| July 12, 2011           | 2027                 | 5.428                | 15,000,000                             |
| July 12, 2011           | 2028                 | 3.000 - 5.000        | 20,730,000                             |
| June 1, 2007            | 2030                 | 4.000 - 5.000        | 6,475,000                              |
| April 20, 2017          | 2030                 | 3.000 - 5.000        | 29,260,000                             |
| June 23, 2017           | 2032                 | 3.000 - 5.000        | <u>3,500,000</u>                       |
| Totals                  |                      |                      | <u>\$ 130,770,746</u>                  |

**5. CAPITAL INDEBTEDNESS (Continued)**

**Bonds Payable (Continued)**

On April 20, 2017, the District issued \$29,260,000 in SIDA revenue bonds with an average coupon rate of 4.68% to advance refund \$32,365,000 of outstanding JSCB Series 2008A SIDA bonds with interest rates of 4.00% - 5.25%. The net proceeds of \$33,483,998 (including a premium of \$4,663,314 and \$439,316 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the District's financial statements. This refunding decreases total debt service payments over the next 14 years by \$3,441,725 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$3,346,000.

Bonds payable as of June 30, 2017 are as follows:

| <u>Years Ending June 30:</u> | <u>Principal</u>      | <u>Interest</u>      | <u>Total</u>          |
|------------------------------|-----------------------|----------------------|-----------------------|
| 2018                         | \$ 11,230,185         | \$ 6,018,773         | \$ 17,248,958         |
| 2019                         | 13,728,863            | 5,506,250            | 19,235,113            |
| 2020                         | 12,885,715            | 4,927,683            | 17,813,398            |
| 2021                         | 13,428,191            | 4,338,703            | 17,766,894            |
| 2022                         | 13,006,860            | 3,767,488            | 16,774,348            |
| 2023 – 2027                  | 58,730,932            | 11,239,986           | 69,970,918            |
| 2028 – 2032                  | <u>7,760,000</u>      | <u>480,331</u>       | <u>8,240,331</u>      |
| Totals                       | <u>\$ 130,770,746</u> | <u>\$ 36,279,214</u> | <u>\$ 167,049,960</u> |

Interest and related expenses on all debt for the year was composed of:

|  |                     |
|--|---------------------|
| Interest paid - capital indebtedness     | \$ 7,267,335        |
| Less: Interest accrued in the prior year | (1,243,966)         |
| Amortization of bond premiums            | (842,299)           |
| Plus: Deferred loss on refunding         | 342,619             |
| Interest accrued in the current year     | <u>1,059,765</u>    |
| Total expense                            | <u>\$ 6,583,454</u> |

**6. OPERATING LEASE COMMITMENTS AND LEASED ASSETS**

The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2017 were approximately \$920,000. The minimum future non-cancelable operating lease payments as of June 30, 2017 are as follows:

|            |                     |
|------------|---------------------|
|            | \$ 847,977          |
| 2019       | 608,351             |
| 2020       | 304,772             |
| 2021       | 270,837             |
| Thereafter | <u>130,923</u>      |
| Total      | <u>\$ 2,162,860</u> |

## 7. PENSION PLANS

### New York State and Local Employees' Retirement System (ERS)

The District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (NYSERS or the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### **Contributions**

NYSERS is noncontributory except for employees who joined the NYSERS after July 27<sup>th</sup>, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during NYSERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

| <u>NYSERS</u> |              |
|---------------|--------------|
| 2017          | \$ 5,408,869 |
| 2016          | \$ 5,655,864 |
| 2015          | \$ 5,816,753 |

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the NYSERS' fiscal years ending March 31, 2005 through 2008.

## 7. PENSION PLANS (Continued)

### New York State and Local Employees' Retirement System (ERS) (Continued)

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the District's retirement bill was amortized or bonded as of June 30, 2017.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a net pension liability of \$12,934,726 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2017, the District's proportion was 0.1376588% percent.

**7. PENSION PLANS (Continued)**

New York State and Local Employees' Retirement System (ERS) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2017, the District recognized pension expense of \$7,328,207. At June 30, 2017, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ 324,132                        | \$ 1,964,211                     |
| Changes in assumptions   | 4,418,976                         | -                                |
| Net difference between projected and actual earnings on pension plan investments                                       | 2,583,589                         | -                                |
| Changes in proportion and differences between the District's<br>contributions and proportionate share of contributions | 217,816                           | 290,262                          |
| Contributions subsequent to the measurement date   | 1,412,490                         | -                                |
| <b>Total</b>   | <u>\$ 8,957,003</u>               | <u>\$ 2,254,473</u>              |

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|      |                     |
|------|---------------------|
| 2018 | \$ 2,374,476        |
| 2019 | 2,374,476           |
| 2020 | 2,240,060           |
| 2021 | <u>(1,698,972)</u>  |
|      | <u>\$ 5,290,040</u> |

**Actuarial Assumptions**

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017.

The actuarial valuation used the following actuarial assumptions:

|                           |   |
|---------------------------|---|
| Actuarial cost method     | Entry age normal  |
| Inflation                 | 2.50%   |
| Salary scale              | 3.8 percent indexed by service  |
| Projected COLAs           | 1.3% compounded annually  |
| Decrements                | Developed from the Plan's 2015 experience period April 1, 2010 through March 31, 2015 study of the Society of Actuaries Scale MP-2014 |
| Mortality improvement     | Society of Actuaries Scale MP-2014  |
| Investment rate of return | 7.0% compounded annually, net of investment expenses  |



## 7. PENSION PLANS (Continued)

### New York State Local Employees' Retirement System (ERS) (Continued)

#### **Actuarial Assumptions (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

#### **Long Term Expected Rate of Return**

| <u>Asset Type</u>       | <u>Target<br/>Allocations<br/>in %</u> | <u>Long-Term<br/>expected real<br/>rate of return in %</u> |
|-------------------------|--|--|
| Domestic Equity         | 36.0                                   | 4.55   |
| International Equity    | 14.0                                   | 6.35   |
| Private Equity          | 10.0                                   | 7.75   |
| Real Estate             | 10.0                                   | 5.80   |
| Absolute Return         | 2.0                                    | 4.00   |
| Opportunistic Portfolio | 3.0                                    | 5.89   |
| Real Assets             | 3.0                                    | 5.54   |
| Bonds & Mortgages       | 17.0                                   | 1.31   |
| Cash                    | 1.0                                    | (0.25)   |
| Inflation-Indexed Bonds | <u>4.0</u>                             | 1.50   |
|                         | <u>100%</u>                            |  |

#### **Discount Rate**

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

|  | 1%<br>Decrease<br><u>6.00%</u> | Current<br>Discount<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 41,310,952                  | \$ 12,934,726                       | \$ (11,057,320)                |

**7. PENSION PLANS (Continued)**

New York State and Local Employees' Retirement System (ERS) (Continued)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows:

|   | Pension Plan's<br>Fiduciary Net Position | District's proportionate<br>share of Plan's<br>Fiduciary Net Position | District's<br>allocation<br>percentage as<br>determined by<br>the Plan |
|---|--|---|--|
| Total pension liability   | \$ 177,400,586,000                       | \$ 244,207,518  | 0.1376588%   |
| Net position  | <u>(168,004,363,000)</u>                 | <u>(231,272,790)</u>  | 0.1376588%   |
| Net pension liability (asset)                                     | <u>\$ 9,396,223,000</u>                  | <u>\$ 12,934,728</u>  | 0.1376588%   |
| Fiduciary net position as a percentage of total pension liability | 94.7%                                    | 94.7%   |  |

New York State Teachers' Retirement System (NYSTRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for NYSTRS. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

**Contributions**

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Contributions (Continued)**

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

|      | <u>NYSTRS</u> |
|------|---------------|
| 2017 | \$ 25,031,917 |
| 2016 | \$ 29,174,990 |
| 2015 | \$ 27,027,205 |

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a net pension liability of \$12,187,045 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2017 the District's proportionate share was 1.137868%, which was a decrease from the 1.051631% proportionate share measured at June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$19,423,533. At June 30, 2017 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ -                                      | \$ 3,959,036                             |
| Changes in assumptions  | 69,425,168                                | -  |
| Net difference between projected and actual earnings on pension plan investments                                    | 27,402,886                                | -  |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 563,021                                   | 5,080,586                                |
| Contributions subsequent to the measurement date  | 20,788,074                                | -  |
| <b>Total</b>  | <u>\$ 118,179,149</u>                     | <u>\$ 9,039,622</u>                      |

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The District recognized \$118,179,149 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date that are recognized as a reduction to the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending:

|            |                      |
|------------|----------------------|
| 2017       | \$ 7,732,665         |
| 2018       | 7,732,665            |
| 2019       | 29,014,503           |
| 2020       | 22,393,104           |
| 2021       | 9,867,513            |
| Thereafter | <u>11,611,003</u>    |
|            | <u>\$ 88,351,453</u> |

**Actuarial Assumptions**

The total pension liability at the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016. Total pension liability at the June 30, 2014 measurement date, was determined by an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. These actuarial valuations used the following actuarial assumptions:

|                            |  |
|----------------------------|--|
| Inflation                  | 2.50%  |
| Projected Salary Increases | Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience. |

| <u>Service</u> | <u>Rate</u> |
|----------------|-------------|
| 5              | 4.72%       |
| 15             | 3.46%       |
| 25             | 2.37%       |
| 35             | 1.90%       |

|                           |  |
|---------------------------|--|
| Projected COLAs           | 1.5% compounded annually   |
| Investment Rate of Return | 7.5% compounded annually, net of pension plan investment expense, including inflation. |

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on society of Actuaries Scale MP-2014.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

## 7. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (NYSTRS) (Continued)

#### **Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Type</u>                | <u>Target Allocations in %</u> | <u>Long-term expected expected real rate of return in %</u> |
|----------------------------------|--------------------------------|---|
| Domestic Equity                  | 37.0                           | 6.1   |
| International Equity             | 18.0                           | 7.3   |
| Real Estate                      | 10.0                           | 5.4   |
| Alternative Investments          | 7.0                            | 9.2   |
| Domestic Fixed Income Securities | 17.0                           | 1.0   |
| Global Fixed Income Securities   | 2.0                            | 0.8   |
| Mortgages                        | 8.0                            | 3.1   |
| Short-term fixed income          | <u>1.0</u>                     | 0.1   |

100%

#### **Discount Rate**

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption**

The following presents the net pension liability (asset) of the District using the discount rate of 7.50 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

|  | <u>1% Decrease</u> | <u>Current Discount</u> | <u>1% Increase</u> |
|--|--------------------|-------------------------|--------------------|
|  | <u>6.50%</u>       | <u>7.50%</u>            | <u>8.50%</u>       |
| Proportionate Share of Net Pension Liability (Asset) | \$159,007,704      | \$ 12,187,045           | \$(110,958,427)    |

**7. PENSION PLANS (Continued)**

New York State Teachers' Retirement System (NYSTRS) (Continued)

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2017, were as follows:

|   | Pension Plan's<br>Fiduciary Net Position | District's proportionate<br>share of Plan's<br>Fiduciary Net Position | District's<br>allocation<br>percentage as<br>determined by<br>the Plan |
|---|--|---|--|
| Total pension liability   | \$ 108,577,184,039                       | \$ 1,235,465,032  | 1.1378680%   |
| Net position  | <u>(107,506,142,099)</u>                 | <u>(1,223,277,992)</u>  | 1.1378680%   |
| Net pension liability (asset)                                     | <u>\$ 1,071,041,940</u>                  | <u>\$ 12,187,041</u>  | 1.1378680%   |
| Fiduciary net position as a percentage of total pension liability | 99.01%                                   | 99.01%  |  |

**8. OTHER POSTEMPLOYMENT BENEFITS**

The District calculates and records a net other postemployment benefit obligation (OPEB) at year-end. The net other postemployment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contribution made. Prior to adoption, the District reported the cost of retiree benefits on a pay-as-you-go basis.

**Plan Description**

The District provides OPEB to its employees under a single-employer, self-insured, defined benefit healthcare plan administered by a third-party. The healthcare plan provides medical and prescription drug coverage to eligible retirees and their spouses.

Benefit provisions are established and amended through negotiations between the District and the respective unions.

Retiree benefits continue for the life of the retiree. The retiree's survivor(s) have the option to continue to receive health insurance coverage benefits by paying for the coverage at the District's full premium rate.

**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Funding Policy**

The contribution requirements of plan members and the District are established on an annual premium equivalent rate calculated by an actuarial firm based on an actuarial valuation of projected financing requirements.

For the year ended June 30, 2017, District contributions for retiree healthcare plan costs, net of retiree contributions of \$1.2 million, amounted to approximately \$18.5 million.

**Annual OPEB Cost**

The District's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarial liabilities (UAAL) over a period of thirty years. The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2017, the amounts actually contributed to the plan, and changes in the District's net OPEB obligation:

|  |                       |
|--|-----------------------|
| Annual required contribution               | \$ 51,026,363         |
| Interest on net OPEB obligations           | 18,483,451            |
| Adjustment to annual required contribution | <u>(26,722,495)</u>   |
| Annual OPEB cost                           | 42,787,319            |
| Contributions made                         | <u>(18,540,724)</u>   |
| Increase in net OPEB obligation            | 24,246,595            |
| Net OPEB obligation - beginning of year    | <u>462,086,271</u>    |
| Net OPEB obligation - end of year          | <u>\$ 486,332,866</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years were as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB<br/>Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost<br/>Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|--------------------------|-----------------------------|---|--------------------------------|
| June 30, 2015            | \$ 80,461,994               | 31.06%  | \$ 444,412,719                 |
| June 30, 2016            | \$ 41,107,227               | 57.01%  | \$ 462,086,271                 |
| June 30, 2017            | \$ 42,787,319               | 43.33%  | \$ 486,332,866                 |

**Funded Status and Funding Progress**

As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$603 million and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$228 million, and the ratio of the liability to the annual covered payroll was 264%.

## **8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

### **Funded Status and Funding Progress (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits at the time of each valuation and on the historical pattern of cost sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2017 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.00% investment rate of return, which is based on the portfolio of the District's general assets used to pay these benefits and an annual health care cost trend rate of 7.25% initially, decreasing to 3.89% after fifty eight years for Pre-65 individuals and 5.70% initially, decreasing to 3.89% for Post-65 individuals after fifty eight years. The prescription cost trend begins at 10.50% initially and decreases to 3.89% after fifty eight years. The Medicare Part B cost trend begins at 5.70% initially and decreases to 3.89% after fifty eight years. Both rates include a 2.25% inflation assumption. The UAAL is being amortized based on a level percentage of projected payroll on an open basis. The remaining amortization period as of June 30, 2017 was 30 years.

## **9. CONTINGENCIES AND COMMITMENTS**

The District may be subject to lawsuits in the ordinary conduct of its affairs. The District does not believe any outstanding items are likely to have a material, adverse effect on the financial statements at June 30, 2017.

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. The District is a principal recipient of property taxes levied by the City. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The District has a potential liability for employees who have not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2017



**9. CONTINGENCIES AND COMMITMENTS (Continued)**

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

**10. SELF-INSURANCE**

The District is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for all City Schools for losses in excess of \$100,000 per occurrence. Self-insured expenditures are expensed when paid. All future liabilities for employee health, dental, workers' compensation and judgments and claims are recorded as liabilities. Liabilities accrued include an estimate of pending claims and claims incurred but not reported.

The following represents changes in those aggregate liabilities for the year ended June 30, 2017:

|  | <u>Medical</u>     | <u>Workers'<br/>Compensation</u> |
|--|--------------------|----------------------------------|
| July 1, 2016   | \$ 1,394,402       | \$ 38,104,417                    |
| Claims in current year, net of payments for all claims | <u>(1,063,246)</u> | <u>(1,210,542)</u>               |
| June 30, 2017  | <u>\$ 331,156</u>  | <u>\$ 36,893,875</u>             |

The District believes the provisions, as described in Note 5, are adequate to cover the liability for claims based upon current available information but these estimates may be more or less than the amount ultimately paid when claims are settled.

**11. FUTURE CHANGES IN ACCOUNTING STANDARDS**

In June 2015, the GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The District is required to adopt the provisions of these Statements for the year ending June 30, 2018, with early adoption encouraged.

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, Financial Reporting for Pension Plans, No. 6, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments for Certain Provisions of GASB Statements 67 and 68*. The Statement addresses issues related to the presentation of payroll related measures in required supplementary information, selection of assumptions and the treatment of deviations and classification of payments made by employers to meet employee contribution requirements. The Statement takes effect for reporting periods beginning after June 15, 2016 except for the selection of assumptions in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end in which the effective date is on or after June 15, 2017. Earlier adoption is encouraged.

## **11. FUTURE CHANGES IN ACCOUNTING STANDARDS (Continued)**

In June 2017, GASB issued Statement No. 87, Leases. The Statement requires recognition of certain lease assets and liabilities for leases previously classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset. The requirements of the Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

## **12. SUBSEQUENT EVENTS**

On September 27, 2017, the JSCB Board and the District Board approved initial Phase II projects not to exceed \$82,000,000.

On October 5, 2017, the District issued \$51,805,000 in Revenue Anticipation Notes at 2.25% maturing on June 30, 2018 to cover an expected cash flow shortage due to the timing of cash receipts from all sources. The request was approved by the City of Syracuse, New York Common Council in August 21, 2017.

## **13. PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2017, the District determined that financial reporting errors were made relating to the carrying value of capital assets and capitalized interest on the statement of net position. In accordance with Generally Accepted Accounting Principles, corrections of financial reporting errors are made as an adjustment to the opening fund balance for the year in which the errors are identified. Accordingly, the District made a prior period adjustment to increase the carrying value of the District's capital assets and net position at July 1, 2016 in the amount \$35,831,033 on the government-wide financial statements.

During the year ended June 30, 2017, the District determined that financial reporting for debt payments and interest in prior years would be corrected. In accordance with Generally Accepted Accounting Principles, corrections of financial reporting errors are made as an adjustment to the opening fund balance for the year in which the correction is identified. Accordingly, the District made a prior period adjustment to decrease the carrying value of the JSCB's fund financial statements and increase the General Fund's fund financial statements at July 1, 2016 in the amount \$1,596,046.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES-  
BUDGET AND ACTUAL-GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

|   | General Fund           |                        |                     |                                      |  |   |
|---|------------------------|------------------------|---------------------|--------------------------------------|--|---|
|   | Budgeted Amounts       |                        |                     | Add:<br>Current Year<br>Encumbrances | Total Current<br>Year Expenditures<br>and Encumbrances | Budget Variance<br>Favorable<br>(Unfavorable) |
|   | Original               | Final                  | Actual              |                                      |  |   |
| <b>REVENUES</b>   |                        |                        |                     |                                      |  |   |
| General property taxes  | \$ 58,504,077          | \$ 58,504,077          | \$ 58,556,586       | \$ -                                 | \$ 58,556,586  | \$ 52,509                                     |
| Nonproperty taxes   | 920,000                | 920,000                | 654,940             | -                                    | 654,940  | (265,060)                                     |
| Charges for services  | 150,000                | 150,000                | 184,829             | -                                    | 184,829  | 34,829  |
| Use of money and property   | 261,000                | 261,000                | 262,761             | -                                    | 262,761  | 1,761   |
| Sale of property and compensation for loss  | 27,100                 | 27,100                 | 232,777             | -                                    | 232,777  | 205,677                                       |
| Miscellaneous   | 1,190,000              | 1,190,000              | 769,217             | -                                    | 769,217  | (420,783)                                     |
| State and local sources   | 328,095,496            | 328,095,496            | 327,268,491         | -                                    | 327,268,491  | (827,005)                                     |
| Federal sources   | 2,161,325              | 2,161,325              | 1,563,970           | -                                    | 1,563,970  | (597,355)                                     |
| <b>Total revenues</b>   | <b>391,308,998</b>     | <b>391,308,998</b>     | <b>389,493,571</b>  | <b>-</b>                             | <b>389,493,571</b>                                     | <b>(1,815,427)</b>                            |
| <b>OTHER SOURCES</b>  |                        |                        |                     |                                      |  |   |
| Operating transfers in  | 4,750,000              | 4,750,000              | 6,765,831           | -                                    | 6,765,831  | 2,015,831                                     |
| <b>Total revenues and other sources</b>   | <b>396,058,998</b>     | <b>396,058,998</b>     | <b>396,259,402</b>  | <b>-</b>                             | <b>396,259,402</b>                                     | <b>200,404</b>                                |
| <b>EXPENDITURES AND ENCUMBRANCES</b>  |                        |                        |                     |                                      |  |   |
| General government support  | 62,443,273             | 62,443,273             | 55,255,037          | 703,563                              | 55,958,600   | 6,484,673                                     |
| Instruction   | 301,234,275            | 301,234,275            | 285,513,075         | 1,051,161                            | 286,564,236  | 14,670,039                                    |
| Pupil transportation  | 23,422,710             | 23,422,710             | 22,721,568          | 267,754                              | 22,989,322   | 433,388                                       |
| Pass-through New York State funding to JSCB   | 11,724,469             | 11,724,469             | 11,826,463          | -                                    | 11,826,463   | (101,994)                                     |
| Debt Service  | 360,000                | 360,000                | 826,290             | -                                    | 826,290  | (466,290)                                     |
| <b>Total expenditures and encumbrances</b>  | <b>399,184,727</b>     | <b>399,184,727</b>     | <b>376,142,433</b>  | <b>2,022,478</b>                     | <b>378,164,911</b>                                     | <b>21,019,816</b>                             |
| <b>OTHER USES</b>   |                        |                        |                     |                                      |  |   |
| Operating transfers out   | 12,171,344             | 12,171,344             | 12,750,175          | -                                    | 12,750,175   | (578,831)                                     |
| <b>Total expenditures and other uses</b>  | <b>411,356,071</b>     | <b>411,356,071</b>     | <b>388,892,608</b>  | <b>2,022,478</b>                     | <b>390,915,086</b>                                     | <b>20,440,985</b>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES</b> | <b>\$ (15,297,073)</b> | <b>\$ (15,297,073)</b> | <b>\$ 7,366,794</b> | <b>\$ (2,022,478)</b>                | <b>\$ 5,344,316</b>                                    | <b>\$ 20,641,389</b>                          |

See independent auditors report.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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| <u>Fiscal Year</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Liability (AAL) Entry Age</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|--------------------|---------------------------------|----------------------------------|--|----------------------------|---------------------|------------------------|--|
| 6/30/2015          | 7/1/2013                        |                                  | - \$ 1,180,618,192                         | \$ 1,180,618,192           | 0.00%               | \$ 203,183,860         | 581.06%  |
| 6/30/2016          | 7/1/2015                        |                                  | - \$ 552,793,454                           | \$ 552,793,454             | 0.00%               | \$ 226,984,926         | 243.54%  |
| 6/30/2017          | 7/1/2015                        |                                  | - \$ 602,635,036                           | \$ 602,635,036             | 0.00%               | \$ 228,301,311         | 263.96%  |

See the independent auditor's report

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |      |      |      |      |      |      |      |
|---|--|------------|------------|------|------|------|------|------|------|------|
|   | 2017   | 2016       | 2015       | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Proportion of the net pension liability (asset)   | 0.1376588%   | 0.1323220% | 0.1295850% |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)  | \$ 12,935  | \$ 21,238  | \$ 4,378   |      |      |      |      |      |      |      |
| Covered-employee payroll  | \$ 39,296  | \$ 37,080  | \$ 33,468  |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 32.92%   | 57.28%     | 13.08%     |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                          | 94.70%   | 90.68%     | 97.95%     |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

| NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN   | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |              |              |      |      |      |      |      |      |      |
|---|--|--------------|--------------|------|------|------|------|------|------|------|
|   | 2017   | 2016         | 2015         | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Proportion of the net pension liability (asset)   | 1.137868%  | 1.051631%    | 1.072093%    |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)  | \$ 12,187  | \$ (109,231) | \$ (119,425) |      |      |      |      |      |      |      |
| Covered-employee payroll  | \$ 175,373   | \$ 157,918   | \$ 158,365   |      |      |      |      |      |      |      |
| Proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 6.95%  | -69.17%      | -75.41%      |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                          | 99.01%   | 110.46%      | 111.48%      |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |          |          |      |      |      |      |      |      |      |
|--|--|----------|----------|------|------|------|------|------|------|------|
|  | 2017   | 2016     | 2015     | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| <b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>              |  |          |          |      |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 5,409   | \$ 5,656 | \$ 5,817 |      |      |      |      |      |      |      |
| Contributions in relation to the contractually required contribution | 5,409  | 5,656    | 5,817    |      |      |      |      |      |      |      |
| Contribution deficiency (excess)                                     | \$ -   | \$ -     | \$ -     |      |      |      |      |      |      |      |
| Covered-employee payroll   | \$39,296   | \$37,080 | \$33,468 |      |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll            | 13.76%   | 15.25%   | 17.38%   |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |      |      |      |      |      |      |      |
|--|--|------------|------------|------|------|------|------|------|------|------|
|  | 2017   | 2016       | 2015       | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| <b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>               |  |            |            |      |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 23,283  | \$ 27,692  | \$ 25,734  |      |      |      |      |      |      |      |
| Contributions in relation to the contractually required contribution | 23,283   | 27,692     | 25,734     |      |      |      |      |      |      |      |
| Contribution deficiency (excess)                                     | \$ -   | \$ -       | \$ -       |      |      |      |      |      |      |      |
| Covered-employee payroll   | \$ 175,373   | \$ 157,918 | \$ 158,365 |      |      |      |      |      |      |      |
| Contributions as a percentage of covered-employee payroll            | 13.28%   | 17.54%     | 16.25%     |      |      |      |      |      |      |      |

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**SUPPLEMENTARY INFORMATION**



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | School Food<br>Service | Capital<br>Projects | Debt<br>Service   | Permanent<br>Fund | Total Nonmajor<br>Governmental Funds |
|--|------------------------|---------------------|-------------------|-------------------|--------------------------------------|
| <b>ASSETS</b>  |                        |                     |                   |                   |                                      |
| Pooled restricted cash and cash equivalents held by City     | \$ -                   | \$ 3,398,975        | \$ -              | \$ -              | \$ 3,398,975                         |
| Pooled restricted cash and cash equivalents held by District | -                      | -                   | -                 | 16,995            | 16,995                               |
| Receivables:   |                        |                     |                   |                   |                                      |
| Due from other funds   | 8,210,503              | 2,215,820           | 536,351           | -                 | 10,962,674                           |
| State and Federal aid receivables                            | 1,118,911              | 119,378             | -                 | -                 | 1,238,289                            |
| Other  | 30,728                 | -                   | -                 | -                 | 30,728                               |
| Inventory  | 578,932                | -                   | -                 | -                 | 578,932                              |
| <b>Total assets</b>  | <b>\$ 9,939,074</b>    | <b>\$ 5,734,173</b> | <b>\$ 536,351</b> | <b>\$ 16,995</b>  | <b>\$ 16,226,593</b>                 |
| <b>LIABILITIES</b>   |                        |                     |                   |                   |                                      |
| Accounts payable   | \$ 906,933             | \$ 215,740          | \$ -              | \$ -              | \$ 1,122,673                         |
| Accrued payroll  | 112,459                | -                   | -                 | -                 | 112,459                              |
| Due to other governments                                     | 2,830                  | -                   | -                 | -                 | 2,830                                |
| <b>Total liabilities</b>                                     | <b>1,022,222</b>       | <b>215,740</b>      | <b>-</b>          | <b>-</b>          | <b>1,237,962</b>                     |
| <b>FUND BALANCE</b>  |                        |                     |                   |                   |                                      |
| Non-spendable  | 578,932                | -                   | -                 | -                 | 578,932                              |
| Restricted   | 8,337,920              | 5,518,433           | 536,351           | 16,995            | 14,409,699                           |
| <b>Total fund balances</b>                                   | <b>8,916,852</b>       | <b>5,518,433</b>    | <b>536,351</b>    | <b>16,995</b>     | <b>14,988,631</b>                    |
| <b>Total liabilities and fund balances</b>                   | <b>\$ 9,939,074</b>    | <b>\$ 5,734,173</b> | <b>\$ 536,351</b> | <b>\$ 16,995</b>  | <b>\$ 16,226,593</b>                 |

The notes are an integral part of these schedules

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-NONMAJOR GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | School Food<br>Service | Capital<br>Projects | Debt<br>Service  | Permanent<br>Fund | Total Nonmajor<br>Governmental Funds |
|--|------------------------|---------------------|------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                        |                     |                  |                   |                                      |
| Use of money and property                            | \$ 26                  | \$ -                | \$ 116           | \$ 12             | \$ 154                               |
| State and local sources                              | 372,178                | 1,255,572           | -                | -                 | 1,627,750                            |
| Federal sources                                      | 13,716,558             | -                   | -                | -                 | 13,716,558                           |
| Surplus food   | 853,574                | -                   | -                | -                 | 853,574                              |
| Sales - School Food Service Program                  | 273,972                | -                   | -                | -                 | 273,972                              |
| <b>Total revenues</b>                                | <b>15,216,308</b>      | <b>1,255,572</b>    | <b>116</b>       | <b>12</b>         | <b>16,472,008</b>                    |
| <b>EXPENDITURES</b>                                  |                        |                     |                  |                   |                                      |
| General Support                                      | 7,221,308              | -                   | -                | -                 | 7,221,308                            |
| Principal  | -                      | -                   | 6,315,660        | -                 | 6,315,660                            |
| Interest   | -                      | -                   | 1,816,215        | -                 | 1,816,215                            |
| Cost of sales  | 6,055,108              | -                   | -                | -                 | 6,055,108                            |
| Capital outlay                                       | -                      | 1,707,407           | -                | -                 | 1,707,407                            |
| <b>Total expenditures</b>                            | <b>13,276,416</b>      | <b>1,707,407</b>    | <b>8,131,875</b> | <b>-</b>          | <b>23,115,698</b>                    |
| Excess (deficiency) of revenues<br>over expenditures | 1,939,892              | (451,835)           | (8,131,759)      | 12                | (6,643,690)                          |
| <b>OTHER FINANCING SOURCES AND USES</b>              |                        |                     |                  |                   |                                      |
| Proceeds from debt                                   | -                      | 3,500,000           | -                | -                 | 3,500,000                            |
| Premium on issuance of debt                          | -                      | -                   | 367,608          | -                 | 367,608                              |
| Operating transfers in                               | -                      | 663,535             | 8,135,277        | -                 | 8,798,812                            |
| Operating transfers out                              | (1,548,803)            | (3,402)             | -                | -                 | (1,552,205)                          |
| <b>Total other financing sources (uses)</b>          | <b>(1,548,803)</b>     | <b>4,160,133</b>    | <b>8,502,885</b> | <b>-</b>          | <b>11,114,215</b>                    |
| Net change in fund balances                          | 391,089                | 3,708,298           | 371,126          | 12                | 4,470,525                            |
| Fund balances - beginning of year                    | 8,525,763              | 1,810,135           | 165,225          | 16,983            | 10,518,106                           |
| Fund balances - end of year                          | \$ 8,916,852           | \$ 5,518,433        | \$ 536,351       | \$ 16,995         | \$ 14,988,631                        |

The accompanying notes are an integral part of these schedules

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**CAPITAL PROJECTS FUND SCHEDULE OF PROJECT EXPENDITURES (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

| Project Title               | Expenditures to Date      |                          |                     |                     |                     |                     | Unexpended<br>(Overexpended)<br>Balance | Methods of Financing       |                     |                     |                     | Fund<br>Balance<br>June 30, 2017 |
|-----------------------------|---------------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|---|----------------------------|---------------------|---------------------|---------------------|----------------------------------|
|                             | Original<br>Appropriation | Revised<br>Appropriation | Prior<br>Years      | Current<br>Year     | Projects<br>Closed  | Total               |   | Proceeds of<br>Obligations | State Aid           | Local<br>Sources    | Total               |                                  |
| Building Condition Survey   | \$ 1,100,000              | \$ -                     | \$ 712,570          | \$ 182,158          | \$ 894,728          | \$ -                | \$ -                                    | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -                             |
| Greystone Building          | 36,000,000                | -                        | 5,746,598           | -                   | 5,746,598           | -                   | -                                       | -                          | -                   | -                   | -                   | -                                |
| Blodgett Renovations        | 36,000,000                | 36,000,000               | -                   | -                   | -                   | -                   | 36,000,000                              | -                          | -                   | 500,000             | 500,000             | 500,000                          |
| SSBA - SSIP1                | 1,370,404                 | 1,370,404                | -                   | 1,255,573           | -                   | 1,255,573           | 114,831                                 | -                          | 1,255,573           | -                   | 1,255,573           | -                                |
| Henninger Field Renovations | 2,600,000                 | 2,600,000                | -                   | 93,289              | -                   | 93,289              | 2,506,711                               | 2,600,000                  | -                   | -                   | 2,600,000           | 2,506,711                        |
| All other various           | <u>1,850,000</u>          | <u>1,850,000</u>         | <u>-</u>            | <u>176,387</u>      | <u>-</u>            | <u>176,387</u>      | <u>1,673,613</u>                        | <u>900,000</u>             | <u>-</u>            | <u>1,611,722</u>    | <u>2,511,722</u>    | <u>2,511,722</u>                 |
| <b>TOTAL</b>                | <b>\$ 78,920,404</b>      | <b>\$ 41,820,404</b>     | <b>\$ 6,459,168</b> | <b>\$ 1,707,407</b> | <b>\$ 6,641,326</b> | <b>\$ 1,525,249</b> | <b>\$ 40,295,155</b>                    | <b>\$ 3,500,000</b>        | <b>\$ 1,255,573</b> | <b>\$ 2,111,722</b> | <b>\$ 6,867,295</b> | <b>\$ 5,518,433</b>              |

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

|   |                |                       |
|---|----------------|-----------------------|
| Capital assets, net                               |                | \$ 285,429,939        |
| Add:  |                |                       |
| Deferred loss on early retirement of debt         |                | 819,269               |
| Deduct:   |                |                       |
| Premium on bonds payable                          | 8,537,650      |                       |
| Short-term portion of bonds payable               | 11,230,185     |                       |
| Long-term portion of bonds payable                | 119,540,561    |                       |
| Less: unspent bond proceeds                       | (33,015,761)   |                       |
| Less: bond proceeds not related to capital assets | <u>(7,630)</u> | <u>(106,285,005)</u>  |
| Net investment in capital assets                  |                | <u>\$ 179,964,203</u> |

See the accompanying independent auditor's report

**REQUIRED REPORTS UNDER UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 14, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and responses (2017-001) that we consider a significant deficiency.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The School District's Response to Findings**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bonadio & Co., LLP*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

December 14, 2017

To the Board of Education  
City School District of Syracuse, New York:

**Report on Compliance for Each Major Federal Program**

We have audited the City School District of Syracuse, New York's (the School District), a blended component unit of the City of Syracuse, New York, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2017. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Major Federal Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

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(Continued)



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**  
(Continued)

**Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bonadio & Co., LLP

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u> | <u>CFDA Number</u> | <u>Agency or Pass-through Number</u> | <u>Federal Expenditures</u> |
|---|--------------------|--------------------------------------|-----------------------------|
| <b>U.S. Department of Agriculture</b>                     |                    |                                      |                             |
| Passed-through NYS Department of Education:               |                    |                                      |                             |
| Child Nutrition Cluster:                                  |                    |                                      |                             |
| Non-Cash Assistance (Food Distribution)                   |                    |                                      |                             |
| National School Lunch Program                             | 10.555             | N/A                                  | \$ <u>853,574</u>           |
| Cash Assistance   |                    |                                      |                             |
| School Breakfast Program                                  | 10.553             | N/A                                  | <u>3,912,977</u>            |
| National School Lunch Program                             | 10.555             | N/A                                  | 7,977,402                   |
| After School Snack Program                                | 10.555             | N/A                                  | <u>822,382</u>              |
| Total National School Lunch Program                       |                    |                                      | <u>8,799,784</u>            |
| Child and Adult Care Food Program                         | 10.558             | N/A                                  | <u>141,787</u>              |
| Summer Food Service Program for Children                  | 10.559             | N/A                                  | <u>480,687</u>              |
| Total Cash Assistance                                     |                    |                                      | <u>13,335,235</u>           |
| Total Child Nutrition Cluster                             |                    |                                      | 14,188,809                  |
| Fresh Fruit and Vegetable Program                         | 10.582             | 0004170017                           | <u>631,368</u>              |
| <b>Total U.S. Department of Agriculture</b>               |                    |                                      | <u>14,820,177</u>           |
| <b>U.S. Department of Labor</b>                           |                    |                                      |                             |
| Passed-through Onondaga Community College:                |                    |                                      |                             |
| Pathways to Careers                                       | 17.720             |                                      | <u>17,825</u>               |
| <b>Total U.S. Department of Labor</b>                     |                    |                                      | <u>17,825</u>               |
| <b>Environmental Protection Agency</b>                    |                    |                                      |                             |
| Passed-through Onondaga Environmental Institute:          |                    |                                      |                             |
| Environmental Education Grants                            | 66.951             |                                      | <u>1,763</u>                |
| <b>Total Environmental Protection Agency</b>              |                    |                                      | <u>1,763</u>                |
| <b>U.S. Department of Education</b>                       |                    |                                      |                             |
| Passed-through Onondaga Cortland Madison Counties BOCES:  |                    |                                      |                             |
| Adult Education - Basic Grants to States                  |                    |                                      |                             |
| WIA - Title II Adult Basic                                | 84.002             |                                      | 22,856                      |
| Passed-through NYS Department of Education:               |                    |                                      |                             |
| Adult Education - Basic Grants to States                  |                    |                                      |                             |
| WIA-Title II Adult Basic                                  | 84.002             | 2338172123                           | <u>262,585</u>              |
| Total Adult Education - Basic Grants to States            |                    |                                      | <u>285,441</u>              |
| Title I, Grants to Local Educational Agencies             |                    |                                      |                             |
| Title I, School Improvement Professional Development      | 84.010             | 0011157031                           | 33,353                      |
| Title I, School Improvement Professional Development      | 84.010             | 0011177031                           | 454,297                     |
| Title I, Part A   | 84.010             | 0021162165                           | 2,000,751                   |
| Title I, Part A   | 84.010             | 0021172165                           | 14,122,397                  |
| Title I, School Improvement                               | 84.010             | 0011162006                           | 47,857                      |
| Title I, School Improvement                               | 84.010             | 0011172006                           | <u>336,354</u>              |
| Total Title I Grants to Local Educational Agencies        |                    |                                      | <u>16,995,009</u>           |

The accompanying notes to the schedule of federal awards are an integral part of these statements.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017  
(Continued)**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u>                        | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|--|------------------------|--|---------------------------------|
| <b>U.S. Department of Education (Continued)</b>                                  |                        |  |                                 |
| Passed-through NYS Department of Education (Continued):                          |                        |  |                                 |
| Special Education Cluster:   |                        |  |                                 |
| Special Education - Grants to States   |                        |  |                                 |
| Section 611 PL194-145  | 84.027                 | 0032160656                                   | 10,348                          |
| Section 611 PL194-145  | 84.027                 | 0032170656                                   | 6,424,654                       |
| Section 611 PL194-145  | 84.027                 | 0032180656                                   | 6,100                           |
| SEIS (formerly SETRC)  | 84.027                 | C012202                                      | 461,573                         |
| IDEA Program Development, Students with Disabilities                             | 84.027                 | 0031170015                                   | <u>227,935</u>                  |
| Total Special Education - Grants to States                                       |                        |  | <u>7,130,610</u>                |
| Special Education - Preschool Grants   |                        |  |                                 |
| Special Education - Preschool Grants   | 84.173                 | 0033160656                                   | 1,119                           |
| Special Education - Preschool Grants   | 84.173                 | 0033170656                                   | <u>293,180</u>                  |
| Total Special Education - Preschool Grants                                       |                        |  | <u>294,299</u>                  |
| Total Special Education Cluster  |                        |  | <u>7,424,909</u>                |
| Career and Technical Education - Basic Grants to States                          |                        |  |                                 |
| Pathways in Technology Early College High School                                 | 84.048                 | 8039170013                                   | 399,689                         |
| Perkins IV CTEIA   | 84.048                 | 8000170010                                   | <u>205,354</u>                  |
| Total Career and Technical Education - Basic Grants to States                    |                        |  | <u>605,043</u>                  |
| Education for Homeless Children and Youth  | 84.196                 | 0212173033                                   | <u>89,170</u>                   |
| Twenty-First Century Community Learning Centers                                  |                        |  |                                 |
| Twenty-First Century Community Learning Centers                                  | 84.287                 | 0187166118                                   | 296                             |
| Twenty-First Century Community Learning Centers                                  | 84.287                 | 0187176118                                   | <u>1,166,470</u>                |
| Total Twenty-First Century Community Learning Centers                            |                        |  | <u>1,166,766</u>                |
| English Language Acquisition Grants  |                        |  |                                 |
| Title III, Part A Immigration  | 84.365                 | 0149172165                                   | 101,215                         |
| Title III, Part A Students with Interrupted/Inconsistent Formal Education (SIFE) | 84.365                 | 0153172165                                   | 29,664                          |
| Title III, Part A Limited English Proficiency                                    | 84.365                 | 0293162165                                   | 45,279                          |
| Title III, Part A Limited English Proficiency                                    | 84.365                 | 0293172165                                   | <u>295,517</u>                  |
| Total English Language Acquisition Grants  |                        |  | <u>471,675</u>                  |
| Mathematics and Science Partnerships   |                        |  |                                 |
| Title II, B Math and Science   | 84.366                 | 0294160206                                   | 3,320                           |
| Title II, B Math and Science   | 84.366                 | 0294170206                                   | 537,509                         |
| Title II, B Math and Science   | 84.366                 | 0294170214                                   | <u>179,170</u>                  |
| Total Mathematics and Science Partnerships                                       |                        |  | <u>719,999</u>                  |
| Improving Teacher Quality State Grants   |                        |  |                                 |
| Title II, Part A   | 84.367                 | 0147162165                                   | 947,403                         |
| Title II, Part A   | 84.367                 | 0147172165                                   | <u>842,776</u>                  |
| Total Improving Teacher Quality State Grants                                     |                        |  | <u>1,790,179</u>                |
| School Improvement Grants:   |                        |  |                                 |
| School Improvement Grant   | 84.377                 | 0123167022                                   | 795                             |
| School Improvement Grant   | 84.377                 | 0123177022                                   | <u>914,041</u>                  |

The accompanying notes to the schedule of federal awards are an integral part of these statements.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017  
(Continued)**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u>                                     | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------|--|---------------------------------|
| <b>U.S. Department of Education (Continued)</b>   |                        |  |                                 |
| Passed-through NYS Department of Education (Continued):                                       |                        |  |                                 |
| School Improvement Grants (Continued):  |                        |  |                                 |
| School Improvement Grant  | 84.377                 | 0123176117                                   | 331,909                         |
| School Improvement Grant  | 84.377                 | 0123176119                                   | 430,034                         |
| School Improvement Grant  | 84.377                 | 0123164204                                   | 64,263                          |
| School Improvement Grant  | 84.377                 | 0123174204                                   | 407,801                         |
| School Improvement Grant  | 84.377                 | 0123177021                                   | 764,148                         |
| School Improvement Grant  | 84.377                 | 0123164108                                   | 197,103                         |
| School Improvement Grant  | 84.377                 | 0123174108                                   | 456,614                         |
| School Improvement Grant  | 84.377                 | 0123176116                                   | 437,672                         |
| School Improvement Grant  | 84.377                 | 0123164205                                   | 106,327                         |
| School Improvement Grant  | 84.377                 | 0123174205                                   | 467,961                         |
| School Improvement Grant  | 84.377                 | 0123176118                                   | 500,000                         |
| School Improvement Grant  | 84.377                 | 0123177623                                   | 477,264                         |
| School Improvement Grant  | 84.377                 | 0123177622                                   | 417,844                         |
| School Improvement Grant  | 84.377                 | 0123164201                                   | 59,577                          |
| School Improvement Grant  | 84.377                 | 0123174201                                   | 479,954                         |
| School Improvement Grant  | 84.377                 | 0123164203                                   | 79,550                          |
| School Improvement Grant  | 84.377                 | 0123174203                                   | 496,076                         |
| School Improvement Grant  | 84.377                 | 0123164202                                   | 249,245                         |
| School Improvement Grant  | 84.377                 | 0123174202                                   | 492,596                         |
| School Improvement Grant  | 84.377                 | 0123164107                                   | 122,298                         |
| School Improvement Grant  | 84.377                 | 0123174107                                   | <u>451,518</u>                  |
| Total School Improvement Grants   |                        |  | <u>8,404,590</u>                |
| Direct:   |                        |  |                                 |
| Impact Aid  | 84.041                 | N/A  | <u>97,422</u>                   |
| Indian Education - Grants to Local Educational Agencies                                       | 84.060                 | N/A  | <u>131,173</u>                  |
| School Improvement Grants   | 84.377                 | N/A  | <u>303,521</u>                  |
| <b>Total U.S. Department of Education</b>   |                        |  | <u>38,484,897</u>               |
| <b>U.S. Department of Health and Human Services</b>   |                        |  |                                 |
| Direct:   |                        |  |                                 |
| Substance Abuse and Mental Health Services: Projects of<br>Regional and National Significance | 93.243                 | N/A  | <u>431</u>                      |
| Passed-through NYS Department of Temporary and Disability Assistance:                         |                        |  |                                 |
| Refugee and Entrant Assistance - Targeted Assistance Grants                                   | 93.584                 | C00194GG                                     | <u>440,476</u>                  |
| <b>Total U.S. Department of Health and Human Services</b>                                     |                        |  | <u>440,907</u>                  |
| <b>Total Expenditures of Federal Awards</b>   |                        |  | <b><u>\$ 53,765,569</u></b>     |

The accompanying notes to the schedule of federal awards are an integral part of these statements.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**1. GENERAL**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the City School District of Syracuse, New York (the "District"), an entity as defined in the basic financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the government activities, each major fund and aggregate remaining for the School District.

**2. BASIS OF ACCOUNTING**

Expenditures reported in the Schedule are presented in conformity with accounting principles generally accepted in the United States and amounts presented are derived from the School District's general ledger. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

**3. INDIRECT AND MATCHING COSTS**

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the School District's share of certain program costs) are not included in the reported expenditures.

The School District did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**4. NON-MONETARY FEDERAL PROGRAM**

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program. During the year ended June 30, 2017, the School District received food commodities, the fair market value of which amounted to \$853,574 is presented in the accompanying Schedule of Expenditures of Federal Awards as National School Lunch Program (Division of Donated Foods, CFDA#10.555) and was considered in the School District's single audit.

**5. SUBRECIPIENTS**

There were no amounts provided to subrecipients during the year ended June 30, 2017.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2017**

---

**Section I - Financial Statement Findings**

None reported in prior year.

**Section II - Federal Awards Findings and Questioned Costs**

**2016-001. School Food Service Fund Balance**

**U.S. Department of Agriculture—Child Nutrition Cluster (CFDA 10.553, 10.555, 10.559)**

Criteria: In accordance with the Uniform Guidance and federal regulations 7 CFR Section 210.14(b), the School Food Service fund balance may not be in excess of three months average expenditure level.

Condition: The School District's School Food Service fund balance was in excess of three months average expenditure level for the year ended June 30, 2016.

Cause: There was a lack of formal training and understanding by the School District Management relating to the School Food Service fund balance regulation 7 CFR Section 210.14(b).

Effect: Non-compliance with reporting compliance requirement.

Recommendation: In July 2015, the School District submitted a plan to New York State Department of Education (NYSED) to spend down the excess fund balance primarily in upgrading the School Lunch Program's equipment used to prepare and deliver meals to students. This plan was approved by NYSED as proposed. Currently, the School District is in the process of finalizing the design and budget for the upgrade of its equipment under this plan. Once the plan is finalized, the School District will get formal approval from its Board of Education, and if required from NYSED. Once all approvals have been received the School District should follow the NYS procurement regulations in the implementation of the plan.

View of Responsible Officials and Planned Corrective Action: The School District submitted an excess fund balance plan to New York State which was approved in July, 2015. The School District is in the process of finalizing the detail design and budget of this plan, once completed, the School District will get all necessary approvals and follow NYS procurement regulations. In addition, the School District will work with its external auditors to ensure that the fund balance spend down plan meets the regulations set forth in 7 CFR Section 210.

Status: The School District has created plans for the proposed Central Kitchen Facility and has engaged a real estate broker to identify suitable properties for the development of the proposed Central Kitchen Facility.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Part I - Summary of Auditor's Results**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of independent auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Type of independent auditor's report issued on compliance for major programs Unmodified

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u>     |
|-----------------------|---|
| 84.010                | Title I, Grants to Local Educational Agencies |

Dollar threshold used to distinguish between Type A and Type B programs: \$1,612,967

Auditee qualified as low-risk auditee?  Yes  No

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Section II - Financial Statement Findings**

**Reference Number: 2017-001**

**Criteria:**

JSCB is required to report all transactions within JSCB's accounting system in the proper period and in accordance with generally accepted accounting principles.

**Condition/Cause:**

JSCB did not properly record accounting entries during the Phase I project in prior years related to debt payments, interest and acquisition of capital assets. JSCB's construction in progress activity contained an error that was not detected timely because there was no formal reconciliation process of total expenditures by project to the amount reported as construction in progress on the Statement of Net Position in prior years. In addition the payments made by the School District's General Fund for debt service payments, net of interest income, were not properly reported on the School District's government-wide and fund financial statements.

**Effect:**

The School District's government-wide statements were understated due to journal entries used to report the capital outlay expenditures and interest payments related to construction in progress being inadvertently omitted within the capital assets on the government-wide statement of net position. This resulted in an understatement of capital assets of \$35,831,033.

The JSCB and General Fund in the School District's fund financial statements were overstated and understated by \$1,596,046, respectively, due to debt service payments that were paid by the School District's General Fund not being reported in the JSCB Fund.

**Recommendation:**

In addition, we recommend that management of JSCB develop a detail subsidiary ledger of all construction costs from inception to the end of a project. Such schedule should be reconciled to the Statement of Net Position on an annual basis.

**Management's Response:**

The School District agrees with this recommendation. As noted, the accounting entries that led to this finding took place in the early years of the Phase I project. Since then, additional procedures have been implemented to ensure that all accounting transactions are being properly recorded, reconciled and reported. These steps include re-formatting of the School District and JSCB financial statements to include additional reconciliations and controls, and use of standard journal entry templates and review procedures for recording debt payments, interest and capital asset transactions. Going forward, JSCB will also prepare a fixed asset and construction in progress reconciliation schedule as part of regular financial reporting.



**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Section III - Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs that are required to be reported under *the Uniform Guidance*.

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## APPENDIX B

### SUMMARY OF DEFINITIONS

Act or IDA Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 641 of the 1979 Laws of New York, as amended.

Additional Bonds shall mean one or more series of bonds issued, executed, authenticated and delivered under the Indenture or a Series Indenture.

Agency shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to a Series of Bonds, the applicable Arbitrage and Use of Proceeds Certificate of the School Parties relating to such Series of Bonds.

Authorized Representative shall have the meaning ascribed thereto in the Installment Sale Agreement.

Bank shall mean any: (i) bank or trust company organized under the laws of any state of the United States of America; (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 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.

Bankruptcy Code shall mean Title 11 of the United States Code, as it is amended from time to time.

Base Facilities Agreement Payment Certificate shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the Participants of DTC.

Beneficial Ownership Interest shall mean the beneficial right to receive payments and notices with respect to the Bonds which are held by the Securities Depository under a book-entry system.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of the Indenture.

Bond Resolution shall mean the resolution of the Agency adopted on January 16, 2018, authorizing the Series 2018A Project and the issuance of the Series 2018A Bonds.

Bonds shall mean the Series 2018A Bonds and any Additional Bonds.

Bond Service Charges shall mean the principal, interest and redemption premium, if any, required to be paid on the Bonds when and as the same become due, whether by scheduled maturity or prior redemption.

Bond Year shall have the meaning ascribed thereto in the Tax Certificate.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banks in the State of New York, or in the cities in which the corporate trust office of the Trustee is located, are authorized or required by law to close, or (iii) a day on which the New York Stock Exchange, Inc. is closed.

Cede & Co. shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Bonds in book-entry-only form.

City Engineer shall have the meaning ascribed thereto in the Installment Sale Agreement.

Closing Date shall mean the date of the original issuance and delivery of the Series 2018A Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Collecting Officer shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Collection Percentage means, with respect to each month of a Collection Period, the ratio, expressed as a percentage, of the amount of State Aid to Education expected to be received during such month of such Collection Period to the total amount of State Aid to Education expected to be received during such Collection Period.

Collection Period means the four month period from and including December 1 of a Fiscal Year through and including March 31 of such Fiscal Year.

Commissioner of Finance shall have the meaning ascribed thereto in the State Aid Depository Agreement.

Costs of Issuance shall mean issuance costs with respect to a Series of Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: underwriter's spread (whether realized directly or derived through purchase of such Series of Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, underwriter's counsel, Trustee's counsel, Agency's counsel, counsel to each of the School

Parties, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Agency or the School Parties incurred in connection with the issuance of the Series of Bonds; professional consultant's fees; Rating Agency fees; Trustee, Paying Agent and Depository Bank fees; Credit Facility fees and the fees and expenses of counsel to the provider of the Credit Facility; accountant fees and other expenses related to the issuance of such Series of Bonds; printing and reproduction costs; filing and recording fees; costs of Rating Agencies; fees and expenses of the Agency incurred in connection with the issuance of such Series of Bonds; Blue Sky fees and expenses; and any other charges, fees, costs or expenses related to the issuance of such Series of Bonds.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Agency or the School Parties and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds.

Defeasance Obligations shall mean only: (1) cash; (2) non-callable direct obligations of the United States of America ("*Treasuries*"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively; or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

Depository Bank or Depository shall mean Manufacturers and Traders Trust Company, Buffalo, New York, acting as depository bank pursuant to the State Aid Depository Agreement, and shall include its successors and assigns in such capacity.

DTC shall mean The Depository Trust Company, a limited purpose trust company, New York, New York.

Environmental Compliance Agreement shall mean the Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011 and a Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, from the City and the SCSD to and for the benefit of the Issuer, as same may be further amended or supplemented from time to time.

Event of Default shall have the meaning specified in Section 8.1 of the Indenture.

Event of Nonappropriation shall have the meaning ascribed thereto in the Installment Sale Agreement.

Facilities Payment Obligations means, with respect to the Installment Sale Agreement, the Lease Payments, Installment Purchase Payments or other like payment obligations as so defined in the Installment Sale Agreement.

First Supplemental Indenture shall mean the Indenture of Trust (Series 2011 Project), dated as of July 1, 2011, between the Agency and the applicable Series Trustee, pursuant to which the Series 2011 Bonds were issued.

Fitch shall mean Fitch Ratings and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Trustee by notice to the Notice Parties.

Indenture shall mean the Indenture of Trust (Series 2018A Project), as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Installment Purchase Payments shall mean those purchase payments payable by the SCSD pursuant to the Installment Sale Agreement, which term, for purposes of the State Aid Depository Agreement, shall constitute a "Bank Facilities Agreement Payment".

Installment Sale Agreement shall mean the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1 to Installment Sale Agreement dated as of March 1, 2009, as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December, 2010; Amendment No. 3 to Installment Sale agreement (Series 2011 Project) dated as of July 1, 2011; Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017; and Amendment No. 5 to Installment Sale Agreement (Series 2018A Project) and, dated as of March 1, 2018, each among the Agency and the School Parties, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Interest Payment Date shall mean, with respect to the Series 2018A Bonds, May 1 and November 1 of each year, commencing November 1, 2018, through and including the maturity date of the Series 2018A Bonds.

Issuer shall mean the City of Syracuse Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall succeed to the powers, duties, obligations and functions thereof.

JSCB shall mean the Syracuse Joint Schools Construction Board.

License Agreement or License shall mean the License Agreement (Series 2008 Project), dated as of March 1, 2008, between the City and the SCSD, as licensor, and the Issuer, as licensee, with respect to the Facilities, as previously amended by the Amendatory License Agreement dated as of December 1, 2010; a Second Amendatory License Agreement (Series 2011 Project) dated as of July 1, 2011; a Third Amendatory License Agreement (Series 2017 Project) dated as of April 1, 2017; and a Fourth Amendatory License Agreement (Series 2018A Project) dated as of March 1, 2018, each between the City and the SCSD, as licensor and the Issuer, as licensee, as the same may be further amended or supplemented.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean Barclay Damon LLP or other counsel acceptable to the Agency and the Trustee experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Base Facilities Agreement Payment shall mean, with respect to the Installment Sale Agreement, the Net Base Installment Purchase Payments, Net Base Lease Payments or other net base payment obligations for principal and interest on the related Project Bonds (net of (y) any Scheduled Debt Service Reserve Fund Earnings to the extent that any such Scheduled Debt Service Reserve Fund Earnings shall not first be required when received under the related Series Indenture to satisfy any deficiency in the Debt Service Reserve Fund established for such Project Bonds, and (z) any amounts available in the Bond Fund established under the Series Indenture for such Project Bonds).

Notice Parties shall mean the Agency, the Bond Insurer, the School Parties, the Paying Agent and the Trustee.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Installment Sale Agreement or any other Security Document) be counsel for the School Parties or the Agency and who shall be acceptable to the Trustee.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(a) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(b) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Section 10.1 of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(1) moneys, and/or

(2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, together with that documentation required under Section 10.1 of the Indenture, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

*provided, however*, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver pursuant to the Indenture, Bonds owned by any of the School Parties shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a School Party.

Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Pledge and Assignment shall mean the Pledge and Assignment dated as of March 1, 2018, by the Agency to the Trustee, acknowledged by the City, the SCSD and the JSCB.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Project shall have the meaning assigned to such term by the Syracuse Schools Act.

Project Bonds shall mean the Bonds and any series of bonds of the Agency or any other public entity issued under a Series Indenture to finance all or a portion of the costs of a Project.

Project Costs shall mean, together with any other proper item of cost not specifically mentioned herein but authorized pursuant to the IDA Act or the Syracuse Schools Act, the cost of construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping or furnishing of a Facility and the financing or refinancing thereof, including interest on a Series of Bonds from the date thereof to completion of construction, reconstruction or rehabilitation of a Facility, the payment of the fees and expenses of the Trustee and of any provider of a Credit Facility during the construction, reconstruction or rehabilitation of a Facility, the cost of preparation of the site of a Facility and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, the cost of reserves, a Credit Facility or a Qualified Swap, all Costs of Issuance, the costs of audits, the cost of all labor, materials, services, supplies and other expenses, the cost of all contract bonds, the cost of all machinery, apparatus, furniture, fixtures and equipment, the cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, and all other expenses necessary or incident to determining the feasibility or practicability of a Facility, and such other expenses not specified herein as may be necessary or incident to the construction, alteration, enlargement, reconstruction, rehabilitation, remodeling, equipping and furnishing of a Facility, the financing or refinancing thereof and the placing of the same in use and operation.



Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Project Fund Sufficiency Certificate shall have the meaning ascribed thereto in Section 5.5(d) of the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(a) (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(b) Federal Housing Administration debentures which are unconditionally guaranteed as to payment of principal and interest by an agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

(c) Collateralized (but such collateralization, if any, shall only be to the extent required by, and acceptable to, the District as determined by the Comptroller of the City) Certificates of Deposit issued by a commercial bank or trust company authorized to do business in the State and Time Deposit, Demand Deposit, and Money Market Accounts in a bank or trust company authorized to do business in the State.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(e) Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.

(f) Money market funds rated “AAm” or “AAm-G” by S&P, or better.

(g) “State Obligations”, which means:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.

(h) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

- (1) the municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- (2) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- (3) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);
- (4) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- (5) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- (6) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(i) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s, provided that:

- (1) The market value of the collateral and the type of the collateral are approved by the Comptroller of the City;
- (2) The Trustee or a third party acting solely as agent therefor or for the Agency (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- (3) The repurchase agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(4) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Agency or the Trustee.

(j) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Project Fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Trustee hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Agency and the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Agency and the Trustee;

(5) the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively (but not below "A-" or "A3", respectively), the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Agency, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral (of the type and having a market value as approved by the Comptroller of the City) free and clear of any third-party liens or claims, provided, however, that the provider can only exercise its option under this clause (a) if the Trustee shall receive a Rating Confirmation with respect thereto; or (b) repay the principal of and accrued but unpaid interest on the investment with no penalty or premium to the Agency or the Trustee, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Agency or the Trustee, and

(6) the investment agreement shall state and an opinion of counsel to the provider addressed to the Agency and the Trustee shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Agency or the Trustee (who shall give such direction, if so directed by the Comptroller of the City), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Agency or the Trustee, as appropriate.

(k) Any other investment, whether similar or dissimilar to any of the foregoing, to the extent that the Trustee (if so directed by the Comptroller of the City) shall receive a Rating Confirmation with respect thereto.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Agency or the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Agency as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Agency or the City for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed or variable interest rate Bonds on a synthetic basis or otherwise, (iii) which has been designated in writing to the Trustee by an Authorized Representative of the City as a Qualified Swap with respect to such Obligations, and (iv) which provides that any termination or like payment thereunder shall be subordinated to the payment of the Bonds.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose

senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Agency and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean Fitch, S&P or Moody's and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds at the request of the Agency.

Rating Category shall mean one of the generic rating categories of any of Fitch, Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean written evidence from each Rating Agency that no Outstanding Bond rating then in effect from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken as described or referred to therein.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.1 of the Indenture.

Record Date shall mean, with respect to the Series 2018A Bonds, the fifteenth (15<sup>th</sup>) day of the month immediately preceding an Interest Payment Date.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.1 of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunded Bonds shall mean, with respect to a Series of Refunding Bonds, the Bonds refunded by such Refunding Bonds pursuant to Section 2.7 of the Indenture.

Refunding Bonds shall mean one or more series of Refunding Bonds issued, executed, authenticated and delivered under the Indenture.

Related Security Documents shall mean all Security Documents other than the Indenture.

Representation Letter shall mean the Blanket Issuer Letter of Representations from the Agency and the Trustee to DTC.

Reserved Rights shall mean, collectively,

(a) the right of the Agency to exercise in its own behalf its rights under the Installment Sale Agreement with respect to the payment and/or collection of Additional Payments due to the Agency in its own behalf under the Installment Sale Agreement;

(b) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under the Installment Sale Agreement;

(c) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Installment Sale Agreement;

(d) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the School Parties with respect to ensuring that the Facilities shall always constitute a qualified “project” as defined in and as contemplated by the IDA Act and the Syracuse Schools Act;

(e) the right of the Agency in its own behalf to enforce, receive Additional Payments payable under or otherwise exercise its rights under Article VII and Sections 2.3, 3.1, 3.2, 3.7, 3.9, 4.3, 4.5, 4.8, 5.2, 5.5, 8.1(b) – (f), 8.2, 8.3, 8.7, 9.1, 10.5, 10.6, 10.16, 10.17 and 10.18 of the Installment Sale Agreement;

(f) the right of the Agency to enforce the Environmental Compliance Agreement;  
and

(g) the right of the Agency in its own behalf to enforce the Agency’s Reserved Rights upon the occurrence of an Event of Default or an Event of Nonappropriation.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.

S&P shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Scheduled Debt Service Fund Earnings shall have the meaning ascribed thereto in the State Aid Depository Agreement.

School Party or School Parties shall mean, collectively or severally, as applicable, the City, the SCSD and the JSCB.

SCSD shall mean the City School District of the City of Syracuse, a school district of the State of New York, acting by and through the Board of Education of the City School District of the City of Syracuse, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Installment Sale Agreement, the Indenture, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Tax Compliance Documents.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series Indenture shall mean, collectively, the Indenture and each other indenture of trust or bond resolution pursuant to which a series of Project Bonds shall be issued to finance all or a portion of the costs of a Project.

Series 2008 Facilities shall mean those facilities identified on Exhibit A to the Installment Sale Agreement.

Series 2010 Bonds shall mean the Issuer's \$31,470,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2010, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2011 Bonds shall mean the Issuer's \$31,860,000 School Facility Revenue Bonds (Tax-Exempt) (Syracuse City School District Project), Series 2011A and the Issuer's \$15,000,000 School Facility Revenue Bonds (Federally Taxable Qualified School Construction Bonds) (Syracuse City School District Project), Series 2011B authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008A Bonds shall mean the Issuer's \$49,230,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2008A, authorized, issued, executed, authenticated and delivered under the Series 2008 Indenture.

Series 2018A Bonds shall mean the Issuer's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A, authorized, issued, executed, authenticated and delivered under the Series 2018A Indenture.

Series 2017 Bonds shall mean the Agency's \$29,260,000 School Facility Revenue Refunding Bonds (Syracuse City School District Project), Series 2017, authorized, issued, executed, authenticated and delivered under the Indenture.

Series 2008 Indenture shall mean the Indenture of Trust (Series 2008 Project), dated as of March 1, 2008, between the Agency and the applicable Series Trustee, pursuant to which the Series 2008A Bonds were issued.

Series 2010 Indenture shall mean the Indenture of Trust (Series 2010 Project), dated as of December 1, 2010, between the Agency and the applicable Series Trustee, pursuant to which the Series 2010 Bonds were issued, as supplemented by the First Supplemental Indenture.

Series 2018A Indenture shall mean the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, between the Agency and the applicable Series Trustee, pursuant to which the Series 2018A Bonds were issued.

Series 2017 Indenture shall mean the Indenture of Trust (Series 2017 Project), dated as of April 1, 2017, between the Agency and the applicable Series Trustee, pursuant to which the Series 2017 Bonds were issued.

Series 2018A Project shall have the meaning ascribed to such term in the Installment Sale Agreement.

Series Trustee shall mean the Trustee under the 2018A Indenture, the Trustee under the Series 2010 Indenture, Trustee under the Series 2017 Indenture and the Trustee under the Series 2018A Indenture, each between Manufacturers and Traders Trust Company, as Trustee and the Agency; and each financial institution acting as Trustee under a Series or Supplemental Indenture.

Special Record Date shall mean such date as may be fixed for the payment of defaulted interest in accordance with Section 2.2 of the Indenture.

State shall mean the State of New York.

State Aid Depository Agreement shall mean the State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010, each among the SCSD, the Depository Bank and the City, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

State Aid to Education shall have the meaning ascribed thereto in the State Aid Depository Agreement.

State Comptroller shall mean the State Comptroller of the State of New York.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Agency and the Trustee in accordance with Article XI of the Indenture.

Syracuse Schools Act shall mean Chapter 58 Part A-4 of the Laws of 2006 of the State, as the same may be further amended from time to time.

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate of the Agency with respect to such Series of Bonds.

Tax Compliance Documents shall mean, with respect to a Series of Bonds, the Arbitrage and Use of Proceeds Certificate and Tax Certificate with respect to such Series of Bonds.

Trustee shall mean Manufacturers and Traders Trust Company, Buffalo, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.



## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

*The following is a summary of certain provisions of the Indenture of Trust. This summary is qualified in its entirety by reference to the document itself.*

**Additional Bonds.** So long as the Installment Sale Agreement is in effect and no Event of Default exists thereunder, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of: (i) financing Facilities in connection with the Program; (ii) providing funds to repair, relocate, replace, rebuild or restore an affected Facility in the event of damage, destruction or taking by eminent domain; (iii) providing such additions, rehabilitation or recreational facilities to one or more Facilities, provided such additions, rehabilitation or recreational facilities constitute a “project “ under the IDA Act and the Syracuse Schools Act; or (iv) refunding Outstanding Bonds. Such Series of Additional Bonds shall be payable from the Installment Purchase Payments under the Installment Sale Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture or a Series Indenture in connection therewith (except in the case of Refunding Bonds), the City, the SCSD and the Issuer shall enter into a lease or license agreement or amendment to the License, as applicable, to grant an interest in the Facility(ies) to the Issuer, and the Issuer and the School Parties shall enter into an amendment to the Installment Sale Agreement to subject the Facility(ies) to the Installment Sale Agreement and to provide, among other things, that the Installment Purchase Payments payable under the Installment Sale Agreement shall be increased and computed so as to amortize in full the principal of and interest on the Bonds including such Series of Additional Bonds. In addition, each of the School Parties and the Issuer shall enter into an amendment to the Tax Compliance Documents.

Each such Series of Additional Bonds shall be deposited with the Series Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture or a Series Indenture and any amendments of or supplements to the Tax Certificate, the License and the Installment Sale Agreement;

(2) original executed counterparts of the Supplemental Indenture or a Series Indenture and any amendment of or supplement to the License and the Installment Sale Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture or a Series Indenture, the License, and the Installment Sale Agreement, the Facilities referred to therein and the premises licensed pursuant to the License and sold under the Installment Sale Agreement shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Series 2018A Bonds and any Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, that all

conditions precedent to the delivery thereof have been fulfilled, and that the issuance of the Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of Refunding Bonds refunding all Outstanding Bonds, a certificate of an Authorized Representative of each of the School Parties to the effect that the License, the Arbitrage and Use of Proceeds Certificate and the Installment Sale Agreement continue in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) to the extent applicable, those documents required under the Installment Sale Agreement;

(6) an original, executed counterpart of the amendment, if any, to the Tax Compliance Documents; and

(7) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

Upon the request of the SCSD, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this heading of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with the Indenture.

Refunding Bonds may be authenticated and made available for delivery only upon receipt by the Trustee (in addition to the receipt by it of the documents required by the second paragraph under this heading, as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to the Indenture to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Indenture, and any moneys required pursuant to the Indenture (with respect to all Outstanding Bonds or any part of

one or more series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in the Indenture.

The City shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

Each Series of Additional Bonds issued pursuant to this heading shall be equally and ratably secured under the Indenture with the Series 2018A Bonds and all other Series of Additional Bonds, if any, issued pursuant to the provisions under this heading, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

Notwithstanding anything in the Indenture to the contrary, no Series of Additional Bonds shall be issued unless the State Aid Depository Agreement, the Tax Compliance Documents and the Installment Sale Agreement are in effect and at the time of issuance there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Creation of Funds and Accounts. The Issuer establishes and creates the following special trust Funds and Accounts comprising such Funds: (1) Project Fund; (2) Bond Fund with (a) Principal Account, (b) Interest Account, and (c) Redemption Account; and (3) Rebate Fund.

All of the Funds and Accounts created under the Indenture shall be held by the Trustee. Additional Accounts, including Accounts within the Project Fund, shall be established upon the issuance of a Series of Additional Bonds. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of the Indenture, and while held by the Trustee shall constitute part of the Trust Estate and be subject to the lien of the Indenture (except moneys deposited in the Rebate Fund).

The amounts deposited in the Funds and Accounts (except the Rebate Fund) created under the Indenture shall be subject to a security interest, lien and charge in favor of the Trustee (for the benefit of the Holders of the Bonds) until disbursed as provided in the Indenture, subject to the provisions of the Granting Clauses of the Indenture.

Project Fund. There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to the Indenture or otherwise required to be deposited therein pursuant to the Installment Sale Agreement. The amounts in the Project Fund shall be subject to a security interest, lien and charge in favor of the Trustee, for the benefit of the Bondholders, until disbursed as provided in the Indenture. The Trustee shall apply the amounts on deposit in each Account of the Project Fund as set forth in Section 4.1 of the Indenture including to the payment, or reimbursement to the extent the same have been paid by or on behalf of the School Parties or the Issuer, of Project Costs.

The Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks (or make wire transfers if requested by the City) for each disbursement from the Project Fund, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the JSCB.

The completion of the Series 2018A Project or abandonment thereof shall be evidenced by the filing of a certificate of an Authorized Representative of the JSCB in accordance with the Installment Sale Agreement. Upon the filing of such certificate, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of the Bonds.

In the event the City shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Installment Sale Agreement, the balance in the Project Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund for redemption of Bonds.

All earnings on amounts held in the Project Fund, excluding earnings required no less frequently than quarterly to be transferred to the Rebate Fund in compliance with the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be maintained within the Project Fund and made available for Project Costs.

Upon the occurrence and during the continuance of an Event of Default, the balance in the Account of the Project Fund established with respect to the Series 2018A Bonds, after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments into Rebate Fund; Application of Rebate Fund" below, shall be deposited in the Bond Fund to be applied toward redemption of the Series 2018A Bonds.

Proceeds of insurance, condemnation awards or conveyance of one or more Facilities in lieu of condemnation deposited in the Project Fund pursuant to the Installment Sale Agreement shall be disbursed in accordance with the Indenture to pay costs of replacement, repair, rebuilding in or relocation of the affected Facility or to payment of Project Costs as shall otherwise be approved by Nationally Recognized Bond Counsel and permitted under the Syracuse Schools Act or after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and the section under the heading "Payments Into Rebate Fund; Application of Rebate Fund" below, transferred to the Bond Fund to be applied toward redemption of the applicable Series of Bonds.

Payments into Bond Fund. On or before November 10 of each Fiscal Year, commencing November 10, 2018, the Trustee shall deliver a Base Facilities Agreement Payment Certificate (computed as of the immediately preceding last Business Day of October of such Fiscal Year) to the Depository Bank, the Commissioner of Finance and the Collecting Officer in accordance with the State Aid Depository Agreement. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Proceeds from the Series 2018A Bonds shall be deposited in the Interest Account of the Bond Fund pursuant to Section 4.1 (a) of the Indenture. Upon the issuance of any Series of Additional Bonds, there shall be deposited in the Interest Account of the Bond Fund such amount, if any, of the proceeds of such Series of Additional Bonds as may be set forth in the related Supplemental Indenture.

(b) Moneys received from the Depository Bank pursuant to Section 202(g)(i) (first) of the State Aid Depository Agreement shall be deposited into the Bond Fund and applied first, to the payment of interest (and deposited in the Interest Account), second, to the payment of principal (and

deposited in the Principal Account), and third, to the payment of sinking fund payments (and deposited in the Redemption Account).

(c) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of interest on the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Interest Account of the Bond Fund and applied, together with amounts available in the Interest Account, to the payment of interest on the Bonds.

(d) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of principal of the Bonds, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Principal Account of the Bond Fund and applied, together with amounts available in the Principal Account, to the payment of principal of the Bonds.

(e) Moneys received from the State Comptroller pursuant to Section 5.4 of the Indenture in respect of Installment Purchase Payments and available for the payment of the Redemption Price of Bonds to be redeemed in whole or in part, which, subject to the priority for the application of such moneys so received set forth in Section 5.4 of the Indenture, shall be placed in the Redemption Account of the Bond Fund and applied, together with amounts available in the Redemption Account, to the payment of the Redemption Price of Bonds to be redeemed in whole or in part.

(f) The excess amounts referred to in the fourth sentence of Section 5.6(c) of the Indenture, which shall be credited to the Interest Account of the Bond Fund.

(g) Moneys transferred by the Trustee from the Redemption Account of the Bond Fund which shall be deposited in either the Interest Account or Principal Account of the Bond Fund, as so directed by an Authorized Representative of the City.

(h) Moneys transferred by the Trustee from the Project Fund to the Redemption Account of the Bond Fund as provided in Section 5.2 of the Indenture (after making any transfer to the Rebate Fund as directed pursuant to the Tax Compliance Documents and Section 5.11 of the Indenture), which amounts shall be held separately by the Trustee in a restricted subaccount, and may be invested, until applied to the redemption of the applicable Series of Bonds in accordance with Section 2.3(c) of the Indenture, by the Trustee at the direction of the City, and otherwise in accordance with the requirements of Section 5.7 of the Indenture, except the certification by the City required by Section 5.7 of the Indenture shall include an additional certification by the City that the contemplated investment is not at a yield in excess of the yield on the related Series of Bonds.

(i) All other receipts when and if required by the State Aid Depository Agreement, by the Installment Sale Agreement, by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.3 of the Indenture) to the Redemption Account of the Bond Fund and applied as provided in Section 5.6(c) of the Indenture.

In the event that any Installment Purchase Payment received by the Trustee shall be an amount insufficient to pay the interest, principal and sinking fund payments next coming due on the Bonds, such amount shall be applied first, to the payment of interest, second, to the payment of principal, and third, to the payment of sinking fund payments.

State and/or School Aid Intercept. Pursuant to the Syracuse Schools Act, in the event the City or the SCSD shall fail (for any reason, including the failure of the State or appropriate legislative body of the City to appropriate moneys for such purpose) to make a payment under the Installment Sale Agreement in the amount and by the date the same is due, as set forth in the Indenture, of which failure the Trustee has actual knowledge in the case of a failed Installment Purchase Payment (or other failed payment payable to the Trustee in its capacity as Trustee), or, in the case of any other failed payment of which the Trustee has received written notice from the party to whom such failed payment is owed under the Installment Sale Agreement, the Issuer irrevocably appoints the Trustee to act as its agent for the purpose of delivering a certificate to the State Comptroller (in substantially the form set forth in Appendix "C" attached to the Indenture) and to any other Series Trustee, by no later than the next Business Day following the Trustee obtaining such actual knowledge or such notice of such failed payment, certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall, in accordance with the Syracuse Schools Act, withhold from the City and the SCSD any state and/or school aid payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Trustee as not having been made, and the State Comptroller shall immediately pay over to the Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. In the event that the State Comptroller should receive more than one such certificate from one or more Series Trustee, the Comptroller shall disburse such amounts so withheld on a *pari passu* basis with respect to any and all outstanding Series of Bonds. All such state and/or school aid so received shall be applied, *first*, to deposit in the Interest Account of the Bond Fund to the extent of any deficiency therein, *second*, to deposit in the Principal Account of the Bond Fund to the extent of any deficiency therein, *third*, to deposit in the Redemption Account of the Bond Fund to the extent of any deficiency therein, *fourth*, to satisfy any obligation of the SCSD under certain indemnification provisions of the Installment Sale Agreement, *fifth* to satisfy any obligation of the JSCB on the SCSD under the liability insurance provisions of the Installment Sale Agreement, and *sixth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement.

For the avoidance of any doubt, if the Trustee is a party to the Intercept Procedures Agreement, the delivery of the certificate to the State Comptroller shall be governed by the terms of the Intercept Procedures Agreement, such agreement intended to maintain the equal and ratable treatment of the pledge of the intercept, for the benefit of the Bondholders, under the Indenture and any other Series Indenture, including but not limited to the Series 2008 Indenture (as that term is defined in the Installment Sale Agreement), as contemplated in the Indenture.

The appointment by the Issuer of the Trustee as agent as above-described shall be deemed a non-exclusive but irrevocable appointment (coupled with an interest) and the Issuer may appoint any other Series Trustee to similar purpose under the related Series Indenture. The Trustee accepts such agency and agrees so to act on behalf of the Issuer. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller shall, subject to the priority set forth in the preceding paragraph, be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received. Any amounts of such state and/or school aid received by the Trustee from the State Comptroller that are not in respect of Installment Purchase Payments shall forthwith be forthwith paid to or upon the order of the Issuer.

The Issuer covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Indenture or Series Facilities Agreement, in connection with the issuance of a Series of Project Bonds under a Series Indenture which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept under the Syracuse Schools Act of state and/or school aid payable to the City or the SCSD than the pledge effected pursuant to the Indenture; provided,

however, that nothing contained in the Indenture shall be deemed (y) to limit or deny the ability of the Issuer or any other public entity, in connection with the issuance of another Series of Project Bonds, to pledge such State Aid to Education on a parity with the pledge effected under the Indenture, or (z) to require that any Series of Project Bonds issued under any other Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Indenture, or that any payment dates under a Series Facilities Agreement be the same as those under the Installment Sale Agreement.

Application of Bond Fund. The Trustee shall: (i) on each Interest Payment Date on the Bonds pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds; and (ii) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any redemption of Bonds.

The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds, upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds).

Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the City, as promptly as practicable, to the purchase of Bonds of a Series as directed by the City at prices not exceeding the Redemption Price thereof applicable on the earliest date upon such Series of Bonds are next subject to optional redemption, plus in each case accrued interest to the date of redemption (accrued interest on such Bonds being payable out of the Interest Account of the Bond Fund). Any Bonds purchased in lieu of a mandatory redemption shall be surrendered to the Trustee for cancellation. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date; provided that if such amount aggregates less than \$5,000, it need not be then applied to such redemption. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with the section under the heading "Defeasance" below) shall be transferred to the Interest Account. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in the section under the heading "Selection of Bonds to be Redeemed" below. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund).

Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account or the Principal Account of the Bond Fund, as directed by an Authorized Representative of the City.

In the event of the issuance of a Series of Refunding Bonds pursuant to the section under the heading "Additional Bonds" above, the Trustee shall, upon the written direction of the City, withdraw from the specified Accounts of the Bond Fund those amounts deposited in each such Account so specified held for the payment of the principal, Sinking Fund Installments, Redemption Price and interest on the Series of Bonds or principal portion thereof to be refunded, provided, however, that such withdrawal shall not be made unless (i) immediately thereafter, the Series of Bonds or principal portion thereof being refunded shall be deemed to have been paid pursuant to the section under the heading "Defeasance" below, and (ii) the amount remaining in each Account of the Bond Fund after such withdrawal shall not be less than that

amount otherwise then required to be on deposit in each such Account to pay the principal, Sinking Fund Installments, Redemption Price and interest of those Series of Bonds or principal portions thereof not being refunded.

Investment of Funds and Accounts. Amounts in the Bond Fund, the Project Fund and the Rebate Fund, may, if and to the extent then permitted by law, be invested only in Qualified Investments. Any investment authorized by the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the City. Any investment under the Indenture shall be made in accordance with the Tax Compliance Documents, and the City shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall in the case of the Project Fund or the Bond Fund, be credited and losses charged to such Fund, as applicable, subject however to Section 5.11 of the Indenture.

Upon timely request of an Authorized Representative of the City, the Trustee shall notify the City ten (10) days prior to each Installment Purchase Payment Date under the Installment Sale Agreement of the amount of such net investment income or gain received and collected subsequent to the last such Installment Purchase Payment and the amount then available in the Project Fund and in each Account of the Bond Fund.

Upon the written direction of an Authorized Representative of the City, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for any losses incurred as a result of actions taken in good faith in accordance with Section 5.7(c) of the Indenture. As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Agency and the City.

In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee on the last Business Day of each October.

The fair market value of Qualified Investments shall be determined as follows:

(1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and



(3) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of “fair market value” shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

Neither the Trustee nor the Agency shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested. The investments authorized by Section 5.7 of the Indenture shall at all times be subject to the provisions of applicable law, as amended from time to time.

Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture (excluding the Rebate Fund) and all investments made therewith shall be held by the Trustee in trust for the benefit of the Bondholders and while held by the Trustee constitute part of the Trust Estate, and be subject to the lien of the Indenture, but subject to the Granting Clauses thereof. Moneys held by the Depository Bank under the State Aid Depository Agreement are not part of the Trust Estate unless and until the same are transferred to the Trustee for deposit in the Bond Fund in accordance with the State Aid Depository Agreement. Moneys held by the Trustee in the Rebate Fund are not part of the Trust Estate nor subject to the lien of the Indenture.

Repayment to the City For the Benefit of the SCSD from the Funds. After payment in full of the Bonds (in accordance with the defeasance provisions of the Indenture) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid under the Indenture and under each of the Security Documents, and the payment of any amounts are required to be rebated to the federal government pursuant to the Indenture and the Tax Compliance Documents, all amounts remaining in the Project Fund and the Bond Fund shall be paid to the City for the SCSD upon the expiration or sooner or later termination of the term of the Installment Sale Agreement.

Payments into Rebate Fund; Application of Rebate Fund. The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other Person.

The Trustee, following the receipt of a certificate of written direction from an Authorized Representative of the City pursuant to the Tax Compliance Documents, shall deposit in the Rebate Fund that amount from the Project Fund, as shall be so specified in such certificate of written direction as necessary to satisfy the requirements of the Tax Compliance Documents. In the case of the Project Fund, the City shall so direct the Trustee no less frequently than quarterly, until the Trustee shall receive the Project Fund Sufficiency Certificates as to all funded Accounts of the Project Fund and no less frequently than semi-annually thereafter.

In the event that the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined in accordance with the Tax Compliance Documents, the Trustee, upon the receipt of written instructions from an Authorized Representative of the City, shall withdraw such excess amount and deposit it: (i) to any Account of the Project Fund with respect to which no Project Fund Sufficiency Certificate shall yet have been delivered; or (ii) to the Interest Account of the Bond Fund, as the City shall determine.

The Trustee, upon receipt of written instructions from an Authorized Representative of the City, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Requirement with respect to such Series of Bonds as of the date of such payment and (ii) notwithstanding the provisions of the section under the heading "Defeasance" below, not later than thirty (30) days after the date on which all Bonds have been paid in full, 100% of the Rebate Requirement as of the date of payment.

The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the City to make such transfer.

Selection of Bonds to Be Redeemed. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity for which there is more than one registered Bond, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in such order of maturity as shall be directed by an Authorized Representative of the City delivered to the Trustee, or, in the absence of any such direction, inverse order of maturity of the Outstanding Series of Bonds to be redeemed and randomly within a maturity; provided, however, that in the case of any redemption of a Series of Bonds in accordance with the Indenture, the Authorized Representative of the City shall select the Bonds to be redeemed only (x) in inverse order of maturity, or (y) proportionately to each Outstanding maturity of the Bonds of such Series. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for: (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption; and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

No Partial Redemption After Default. Anything in the Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default thereunder, there shall be no redemption of less than all of the Bonds Outstanding other than a redemption required with respect to excess bond proceeds or insurance or condemnation proceeds unless there shall have been delivered to the Trustee an opinion of Nationally Recognized Bond Counsel that the failure to redeem Bonds to the extent of such proceeds shall not have an adverse effect on the tax-exempt status of interest on the Bonds.

Payment of Principal and Interest. The Issuer covenants that it will from the sources contemplated by the Indenture promptly pay or cause to be paid the principal of and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in the Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and

obligations of the Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of, redemption premium, if any, or interest on the Bonds or the Redemption Price, if any, together with interest accrued thereon to the date of redemption or for any claim based thereon against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the principal thereof, the interest thereon, nor the Redemption Price thereof, if any, together with interest accrued thereon to the date of redemption, shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor. The Issuer shall not be required under the Indenture or the Installment Sale Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Installment Purchase Payments pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the IDA Act, and the Syracuse Schools Act, to issue the Bonds authorized by the Indenture and to execute the Indenture, to sell its interest in the Facilities pursuant to the Installment Sale Agreement, to assign the Installment Sale Agreement and to pledge the Installment Purchase Payments pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture have been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special obligations of the Issuer according to the import thereof.

Creation of Liens; Indebtedness; Sale of Facilities. Except to the extent contemplated in the last paragraph under the heading "State and/or School Aid Intercept" above with respect to the issuance of Project Bonds under a Series Indenture other than the Indenture, the Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture, the Pledge and Assignment and the Installment Sale Agreement. The Issuer further covenants and agrees not to sell (except pursuant to the Installment Sale Agreement), convey, transfer, lease, sublease, mortgage or encumber the real property constituting part of the Facilities or any of them or any part of such real property, except as specifically permitted under the Indenture and the Installment Sale Agreement, so long as any of the Bonds are Outstanding. The Issuer shall have no pecuniary liability for its covenants set forth in the Indenture, including those described under this heading.

Issuer Tax Covenant. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the School Parties or the Trustee, which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

Events of Default; No Acceleration of Due Date. Each of the following events shall constitute an "Event of Default":

- (1) Failure to duly and punctually pay the interest on any Bond when the same shall become due and payable;

(2) Failure to duly and punctually pay the principal or redemption premium, if any, of any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in subparagraphs (1) and (2) above)) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Issuer and the School Parties of written notice specifying the nature of such default from the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Issuer or the School Parties fail to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same; and

(4) The occurrence of an "Event of Default" under Section 8.1(c) of the Installment Sale Agreement.

In no event shall the principal of any Bond be declared due and payable in advance of its final stated maturity, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

Enforcement of Remedies. Subject to the last paragraph of the immediately preceding heading, upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed and, upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to protect and enforce its rights and the rights of the Bondholders under the IDA Act, the Syracuse Schools Act, the Bonds, the Installment Sale Agreement, the Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity (including mandamus) or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any other Security Document or in aid of the execution of any power granted in the Indenture or in any other Security Document or in the IDA Act or the Syracuse Schools Act or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable, to the extent permitted by law.

In the enforcement of any right or remedy under the Indenture, under any other Security Document, under the IDA Act or under the Syracuse Schools Act, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Redemption Price, or otherwise, under any of the provisions of the Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available

therefor to the extent provided in the Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the School Parties or the Issuer or their creditors or property.

Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and in each case furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Security Document by any acts which may be unlawful or in violation of the Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of the Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Application of Revenues and Other Moneys After Default. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to the provisions of the Indenture relating to compensation of the Trustee, the Bond Registrar and the Paying Agents, as follows:

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

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, the funds realized following the occurrence of an Event of Default shall be applied *first*, as provided in paragraph First and Second of this heading; *second*, to pay any amounts which the School Parties are required to rebate to the federal government pursuant to the Indenture and the Tax Compliance Documents; *third*, to satisfy any obligation of the SCSD regarding indemnification of the Issuer and the Trustee; *fourth*, to satisfy any obligation of the JSCB and the SCSD regarding the maintenance of liability insurance; and *fifth*, to satisfy any other obligations of the School Parties under the Installment Sale Agreement. Nothing outlined under this heading shall be deemed to modify the

application of state and/or school aid payable to City or the SCSD pursuant to the provisions outlined above under the heading "State and/or School Aid Intercept."

Whenever moneys are to be applied pursuant to the above provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such written notice to all Bondholders promptly upon receipt of the deposit with it of any such moneys of such deposit and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Actions by Trustee. All rights of actions under the Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions outlined above under the heading "Application of Revenues and Other Moneys After Default," be for the equal benefit of the Holders of the Outstanding Bonds.

Majority Bondholders Control Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Individual Bondholder Action Restricted. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or of any other Security Document or the execution of any trust under the Indenture or for any remedy under the Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in the Indenture, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture or in such other Security Document or by the IDA Act or the Syracuse Schools Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and, subject to the provisions described under the headings "Application of Revenues and Other Moneys After Default" and "Bond Insurer or Majority Bondholders Control Proceedings" above, be for the equal benefit of all Holders of the Outstanding Bonds, to the extent permitted by law.

Nothing in the Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner provided in the Indenture and in said Bonds expressed.

Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights under the Indenture, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or existing at law or in equity or by statute.

Delay or Omission. No delay or omission of the Trustee, of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee, the Bond Insurer and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

Notice of Default. The Trustee shall promptly mail to the Issuer, to registered Holders of Bonds and to the School Parties by registered or certified mail, postage prepaid, return receipt requested, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required under this heading.

Waivers of Default. The Trustee shall waive any default under the Indenture and its consequences only upon the written request of the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee and reasonable legal fees and expenses in connection with such default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial action under the Indenture or under any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts created or in the enforcement of any rights and powers under the Indenture, or under any other

Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, unlawful conduct or gross negligence.

Approvals or Consents by Trustee. The Trustee shall grant no approval, request or consent under the Security Documents except at the direction of the Holders of a majority in aggregate principal amount of the affected Series of Bonds Outstanding.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in the Indenture, and all fees and expenses and other amounts due and payable under the Indenture and the Installment Sale Agreement and any other amounts required to be rebated to the federal government pursuant to the Tax Compliance Documents or the Indenture, shall be paid in full or duly provided for, then the pledge of the Installment Purchase Payments under the Indenture and the estate and rights thereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security under the Indenture, except as to moneys or securities held by the Trustee or the Paying Agents as provided below. At the time of such cessation, termination, discharge and satisfaction, the Trustee and the Paying Agents shall pay over or deliver to the City for the benefit of the SCSD or on its order all moneys or securities held by them pursuant to the Indenture which are not required: (i) for the payment of principal or Redemption Price, if applicable, or interest on Bonds not theretofore surrendered for such payment or redemption; (ii) for the payment of all such other amounts due or to become due under the Security Documents; or (iii) for the payment of any amounts to the federal government under the Tax Compliance Documents or the Indenture.

Bonds or interest installments for the payment or redemption of which moneys (and/or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in first paragraph under this heading, if: (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of the Indenture to the Trustee shall have been made for the giving of such notice; and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds upon surrender thereof of the full amount to which they would be entitled by way of principal or Redemption Price and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment.

Prior to any defeasance becoming effective as provided in the immediately preceding paragraph, there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel addressed to, and acceptable in form and substance to, the Issuer and the Trustee to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and that the Bonds being defeased are no longer



“Outstanding” under the Indenture; (B) a verification report from an independent certified public accountant or firm of independent certified public accountants or other recognized consultant or verification agent (in each case reasonably acceptable to the Issuer and to the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased on the maturity or redemption date, as applicable; (C) an escrow deposit agreement (reasonably acceptable to the Issuer and the Trustee); and (D) a certificate of discharge of the Trustee with respect to the Bonds being defeased.

Supplemental Indentures Without Bondholders’ Consent. The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without consent of the Bondholders, for any of the following purposes:

- (1) To cure any formal defect, omission or ambiguity in the Indenture or in any description of property subject to the lien of the Indenture, if such action is not materially adverse to the interests of the Bondholders.
- (2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (3) To add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (4) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Installment Purchase Payments or of any other moneys, securities or funds, or to subject to the lien or pledge of the Indenture additional revenues, properties or collateral.
- (6) To modify or amend such provisions of the Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure the federal tax exemption of the interest on the Bonds.
- (7) To authorize the issuance of a Series of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with the Indenture.
- (8) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.
- (9) To effect the delivery of a Credit Facility and/or a Qualified Swap for a Series of Bonds.
- (10) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of either thereof under the Trust Indenture Act of 1939 or any similar federal statute in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of

America, and, if they so determine, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

- (11) To permit the appointment of a co-trustee under the Indenture.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to the Indenture, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Supplemental Indentures With Consent of Bondholders. Subject to the terms and provisions contained in the Indenture, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that if any such Supplemental Indenture would affect only the Holders of a single Series of Bonds then Outstanding, then only the consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding of such affected Series of Bonds shall be required. Nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, or a change in the method of determining the rate of interest on any Bond, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of Installment Purchase Payments other than the liens or pledge created by the Indenture, except as provided in the Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this paragraph, without, in the case of items (ii) through and including (v) of this paragraph, the written consents of one hundred percent (100%) of the Holders of the Outstanding Bonds.

If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this heading, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to S&P, Moody's and all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Holders of not less than a majority, or one hundred percent (100%), as the case may be, in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, then only the written consent of the written consents of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms. Any such consent shall be binding upon the Holder of the Bonds giving such

consent and upon any subsequent Holder of such Bonds 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 Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

The Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Rights of School Parties. Any Supplemental Indenture which materially and adversely affects any rights, powers and authority of the School Parties under the Installment Sale Agreement or requires a revision of the Installment Sale Agreement shall not become effective unless and until the School Parties shall have given their written consent to such Supplemental Indenture signed by an Authorized Representative of each of the School Parties.

Amendments of Related Security Documents Not Requiring Consent of Bondholders. Subject to the heading immediately below, the Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series of Additional Bonds; (v) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (vi) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to the Indenture. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series of Bonds Outstanding.

Amendments of Related Security Documents Requiring Consent of the Bondholders. Except as provided in the immediately preceding heading, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding given and procured as provided in the heading "Supplemental Indentures with

Consent of Bondholders” above (or, if such amendment, change or modification shall only affect one Series of Bonds, the consent of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); provided, however, there shall be no amendment, change or modification to (i) the obligation of the City and the SCSD to make Installment Purchase Payments under the Installment Sale Agreement (except as provided therein or in connection with the issuance of a Series of Additional Bonds), without the prior written approval of the Holders of 100% in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in the heading “Supplemental Indentures With Consent of Bondholders” above (or, if such amendment, change or modification shall affect only one Series of Bonds, the consent of the Holders of one hundred percent (100%) in aggregate principal amount of the affected Series of Bonds Outstanding), or (ii) the Tax Compliance Documents without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on such Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the School Parties shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed to the same Persons and in the same manner as is provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding.

## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT SALE AGREEMENT

*The following is a summary of certain provisions of the Installment Sale Agreement. This summary is qualified in its entirety by reference to the document itself.*

**Sale of the Facilities.** The Issuer sells to the City and the SCSD, and the City and the SCSD purchase from the Issuer, the Issuer's interest in the existing school buildings and existing school building sites comprising the Facilities and Equipment in their "as is," "where is" and "subject to all faults condition" and upon and subject to the terms and conditions set forth in the Installment Sale Agreement. The SCSD shall at all times during the Agreement Term occupy, maintain, use and operate each of the Facilities, or cause each of the Facilities to be occupied, maintained, used and operated, in the same manner as existing school buildings owned by the City and operated and maintained by the SCSD as of the Closing Date and as a "project" in accordance with the provisions of the Syracuse Schools Act and the IDA Act and for the general purposes specified in the recitals to the Installment Sale Agreement. The SCSD shall not occupy, use or operate any of the Facilities or allow any of the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private.

**Agreement Term.** The Agreement Term shall commence on March 26, 2008, and shall expire on midnight (New York City time) on May 1, 2038 (but in no event sooner than the date upon which the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds shall cease to be Outstanding and the lien of the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture and the Series 2018A Indenture shall have been discharged) or such earlier date as the Bonds shall cease to be Outstanding and all amounts payable by the SCSD and/or the City under the Installment Sale Agreement have been paid in full. The Issuer hereby delivers to the SCSD and the SCSD hereby accepts sole and exclusive possession of the Facilities, subject to the terms and conditions set forth in the Installment Sale Agreement. The Issuer makes no representations whatsoever in connection with the condition of any of the Facilities, and the Issuer shall not be liable for any defects therein.

**Termination of License.** The Issuer's interest in the Facilities shall be conveyed (subject to the terms of the Security Documents) from the Issuer to the SCSD and the City upon the date of completion or abandonment of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project as evidenced by the certificate of the JSCB in accordance with the Installment Sale Agreement. The Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Facilities to the SCSD and the City and shall remain in full force and effect until all of the principal of, and interest and premium, if any, on the Bonds and all other sums payable by the SCSD and/or the City under the Project Documents shall have been paid in full, and thereafter the indemnification obligations of the SCSD and release by the School Parties shall survive as set forth in the Installment Sale Agreement.

**The Series 2008 Project; Series 2010 Project; Series 2011 Project; Series 2017 Project; Series 2018A Project.** Pursuant to the License and the Bill of Sale to Issuer, respectively, the City and the SCSD have vested the Issuer with a valid license in the Facilities and title to the Equipment, which interest and title the Issuer is selling to the SCSD and the City, subject to the terms and conditions set forth in the Installment Sale Agreement.

As promptly as practicable after receipt of the proceeds of sale of the: (w) Series 2008A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the construction, rehabilitation, reconstruction, and/or equipping of the Central Tech Project and the completion of the Design Phase, the costs thereof to be paid from the proceeds of sale of the Series 2008A Bonds deposited in the Project Fund established under the Series 2008 Indenture; (x) Series 2010 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2010 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2010 Bonds deposited in the Project Fund established under the Series 2010 Indenture; (y) Series 2011 Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2011 Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2011 Bonds deposited in the Project Fund established under the First Supplemental Indenture; (z) the Series 2017 Bonds, and out of said proceeds of sale, the JSCB will proceed to refinance the costs of the Series 2008 Project and effectuate the redemption in whole or part of the Issuer's outstanding Series 2008A Bonds in the principal amount of \$34,780,000; and to pay permitted issuance costs, if any, costs of credit enhancement, if any, and fund a debt service reserve fund, if any, all with respect to the Series 2017 Bonds and pay the redemption costs of the Series 2008A Bonds; and (aa) Series 2018A Bonds, and out of said proceeds of sale, the JSCB will proceed as agent for and on behalf of the Issuer to effect the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of those Facilities to be financed in whole or in part from the proceeds of sale of the Series 2018A Bonds, the costs thereof to be paid from the proceeds of sale of the Series 2018A Bonds deposited in the Project Fund established under the Series 2018A Indenture. The JSCB reasonably believes that the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, pursuant to the applicable Plans and Specifications, will allow for use of each Facility for its intended purposes. The JSCB agrees that it will use its best efforts to cause the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control (as applicable) only excepted. The City and the SCSD agree that no delay in the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall be the basis for any diminution in or postponement of the amounts payable under the Installment Sale Agreement by the City and the SCSD. In order to effect management of such work, with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, the JSCB has entered into the Program Manager Agreement and as soon as practicable after the applicable Closing Date entered into one or more Construction Contracts for completion of the Central Tech Project, the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, in accordance with the applicable Plans and Specifications and construction schedule approved by the City Engineer. The Program Manager Agreement, each Construction Contract and each other agreement, contract, purchase order or other obligation entered into by the JSCB as agent for the Issuer shall expressly provide that the Issuer shall have no liability thereunder, except to the extent of proceeds from the sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, which may be available therefor. As soon as practicable after the Closing Date, the JSCB shall enter into contracts with one or more Architects for completion of the Design Phase. The Issuer shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials in connection with the purchase of any materials to be incorporated into a Facility or Facilities, except to the extent and solely from the proceeds of sale of the Series 2008A Bonds, the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds. In the event that moneys in the applicable Accounts within the Project Fund are not sufficient to pay the costs necessary to

complete the work with respect to the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project, or pay applicable Costs or Project Costs with respect to the Series 2018A Project in full, none of the School Parties shall be entitled to any reimbursement therefor from the Issuer, the Series Trustee or the Holders of any of the Series 2008A Bonds, Series 2010 Bonds, Series 2011 Bonds, the Series 2017 Bonds or the Series 2018A Bonds (except from proceeds of Additional Bonds which may be issued for that purpose), nor shall the City and SCSD be entitled to any diminution of the Base Installment Purchase Payments, Installment Purchase Payments or Additional Payments to be made under the Installment Sale Agreement.

As between the Issuer and the JSCB, the JSCB, acting specifically as agent for the benefit of the Issuer, shall be responsible for the letting and supervision of contracts for the acquisition, construction, reconstruction, and equipping of a Facility, acceptance of a completed Facility or parts thereof, and all other matters incidental thereto. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, equipment, furnishings or materials for or in connection with the work with respect to a Facility shall be designated by the JSCB, either on its own or as agent for the Issuer.

As between the Issuer on the one hand, and the School Parties on the other hand, the School Parties shall pay: (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of an interest in the Facilities to the Issuer pursuant to the License, the Bill of Sale to Issuer, the delivery of any instruments and documents and their filing and recording, if required; (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer; and (iii) all expenses or claims incurred in connection with the Series 2008 Project and not funded from the proceeds of sale of the Series 2008A Bonds; all expenses or claims incurred in connection with the Series 2010 Project and not funded from the proceeds of sale of the Series 2010 Bonds; all expenses or claims incurred in connection with the Series 2011 Project and not funded from the proceeds of sale of the Series 2011 Bonds; and all expenses or claims incurred in connection with the Series 2017 Project and not funded from the proceeds of the sale of the Series 2017 Bonds; and all expenses or claims incurred in connection with the Series 2018A Project and not funded from the proceeds of the sale of the Series 2018A Bonds (or any other Series of Additional Bonds).

None of the School Parties will terminate the Intermunicipal Agreement or be excused from performing its obligations thereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Installment Sale Agreement. The City and the SCSD covenant and agree to continue the Intermunicipal Agreement for its entire term and such additional terms as shall be required to complete the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project. The City and SCSD acknowledge that pursuant to the Syracuse Schools Act, all contracts, agreements and obligations of the JSCB are entered into and made on behalf of the City and the SCSD and in the event that the JSCB shall cease to exist for any reason whatsoever during the term of the Installment Sale Agreement, the Program Manager Agreement and any other contract, agreement or obligation of the JSCB relating to the Facilities shall remain in full force and effect and the City and SCSD shall stand jointly in the place and stead of the JSCB thereunder.

The JSCB covenants that, at all times as it shall be effecting the work of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project, it will comply with all laws, acts, rules, regulations, permits, orders and requirements lawfully made, of any Federal, State, legislative, executive, administrative or judicial body, commission or office exercising any power of regulation or supervision over such work or over the manner of construction or operation thereof and with the conditions and requirements of all policies of liability insurance as specified in the Installment Sale Agreement. Upon completion of the work with respect to the Facilities, the JSCB will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Facility for the purposes contemplated by the Installment Sale Agreement and shall furnish copies of same to the Applicable Trustee, immediately upon receipt thereof.

The JSCB further covenants that all contracts entered into by the JSCB for the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project in connection with the design, construction, rehabilitation, reconstruction and/or equipping of a Facility shall (i) be made in accordance with applicable law, including, but not limited to, the Syracuse Schools Act; (ii) contain a provision that the design and construction standards therefor shall be subject to the review and approval of the New York State Education Department; and (iii) contain a provision that the contractor shall furnish a labor and material bond guaranteeing prompt payment of moneys that are due to all persons furnishing labor or materials pursuant to the related contract and a performance bond, complying with New York General Municipal Law § 103-f.

The JSCB also covenants to cause its contractors, architects, consultants and others with whom it contracts with respect to the design, construction, rehabilitation, reconstruction, and/or equipping of a Facility, to provide liability insurance coverage against all forms of risk which are appropriate, including general and professional liability insurance normally associated with the type and nature of the service, product or combination thereof, contracted to be provided by such contractors, architects, consultants and others, and to name the Issuer as an additional insured as its interest may appear. The JSCB shall promptly deliver to the Issuer appropriate certificates of insurance evidencing the amount and scope of all liability insurance provided by each contractor, architect, consultant or other person pursuant to a contract with the JSCB with respect to the design, construction, rehabilitation, reconstruction, equipping, operation, maintenance and/or repair or otherwise providing work with respect to a Facility.

Upon the completion or abandonment by the JSCB of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project, the Series 2018A Project or any portions of either thereof, the JSCB shall deliver a certificate of an Authorized Representative of the JSCB to the Issuer and the Applicable Trustee to such effect.

Additional Facilities. The Issuer and the School Parties recognize that, under the provisions of and subject to the conditions set forth in the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, and the Series 2018A Indenture or a related Series Indenture, a Series of Additional Bonds or additional Series of Project Bonds may be issued from time to time pursuant to separate Series Indentures to finance the costs of the acquisition, construction, renovation, reconstruction, improvement, equipping and/or furnishing of Facilities and/or Additional Facilities.

Payment of Installment Purchase Payments. Subject to the provisions described under the heading “Nature of Obligations of the City and the SCSD” below, the City and the SCSD agree to pay or cause to be paid, the Base Installment Purchase Payments, with respect to the Series 2008A Bonds, as originally reflected on Schedule A to the Original Agreement, and the Installment Purchase Payments, with respect to the Series 2010 Bonds as originally reflected on Schedule A



of the Second Amended Agreement; Installment Purchase Payments with respect to the Series 2011 Bonds in the amounts as set forth in Schedule A attached to the Third Amended Agreement; Installment Purchase Payments with respect to the Series 2017 Bonds in the amounts set forth on Schedule A attached to the Fourth Amended Agreement; or Installment Purchase Payments with respect to the Series 2018A Bonds in the amounts set forth on Schedule A attached to the Installment Sale Agreement. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the City and the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, as applicable; *provided, however*, that there shall be credited against any Base Installment Purchase Payments and Installment Purchase Payments any amounts available for such purposes and on deposit in the applicable Bond Fund, including any amounts deposited to a Bond Fund pursuant to Section 5.4 of each Series Indenture and any amounts deposited to a Bond Fund pursuant to Section 4.1(a) of each Series Indenture.

Notwithstanding the foregoing and schedule of Base Installment Purchase Payments and Installment Purchase Payments, in the event the SCSD shall have failed to appropriate by November 1, commencing November 1, 2018, that amount of State Aid to Education required to make (less any amount on deposit in a Bond Fund on such November 1 and available on such date), and for the stated purpose of making, the Base Installment Purchase Payment and/or the Installment Purchase Payment due on the immediately succeeding April 1 (as set forth in Schedule A to the Installment Sale Agreement), then: (y) the SCSD shall promptly deliver written notice of such failure to the Issuer and each Applicable Trustee, and (z) that Base Installment Purchase Payment and/or Installment Purchase Payment next due on such immediately succeeding April 1 (less any amount on deposit in the applicable Bond Fund on such November 1 and available on such date) shall instead be due on the November 15 immediately following such November 1 as if that November 15 were the originally scheduled Base Installment Purchase Payment Date and/or Installment Purchase Payment Date. Base Installment Purchase Payments and Installment Purchase Payments must be deposited by or on behalf of the SCSD, as provided in the State Aid Depository Agreement, with the Applicable Trustee by no later than each Base Installment Purchase Payment Date and Installment Purchase Payment Date, respectively; provided, however, that there shall be credited against any Base Installment Purchase Payment and Installment Purchase Payment, as applicable, any amounts available for such purpose and on deposit in each Bond Fund, including any amounts deposited to the Bond Fund pursuant to Section 5.4 of each Applicable Indenture, and any amounts deposited to the Bond Fund pursuant to Section 4.1(a) of each Applicable Indenture.

(b) The SCSD shall have the option to make from time to time prepayments in part of payments due as aforesaid of Base Installment Purchase Payments, with respect to the Series 2008A Bonds, and the applicable Installment Purchase Payments, with respect to the Series 2010 Bonds, the Series 2011 Bonds, the Series 2017 Bonds and the Series 2018A Bonds, together with interest accrued and to accrue and premium, if any, to be paid on the applicable Series of Bonds, if, but only if, such prepayment is to be used for the redemption or defeasance of such Series of Bonds. The Trustee shall apply such prepayments in such manner consistent with the provisions of the Applicable Indenture as may be specified in writing by an Authorized Representative of the SCSD at the time of making such prepayment. Upon any such prepayment, the Applicable Trustee shall, if necessary, and as applicable, recalculate the schedule of Base Installment Purchase Payments or Installment Purchase Payments, as applicable as set forth in the applicable Schedule A with respect to the applicable Series of Bonds, in accordance with the Applicable Indenture and deliver a revised schedule to the SCSD and the Issuer, and such revised schedule shall be deemed to replace the then-existing applicable **Schedule A**.

Direction as to Payment of Base Installment Purchase Payments and Installment Purchase Payments. Installment Purchase Payments shall be paid to the Series 2010 Trustee for credit to the Applicable Bond Fund under the Series 2010 Indenture and the First Supplemental Indenture; to the Series 2017 Trustee for credit to the Applicable Bond Fund under the Series 2017 Indenture and to the Series 2018 Trustee for credit to the Applicable Bond Fund under the Series 2018A Indenture.

Indemnification of the Issuer and Applicable Trustee and Limitation on Liability. The SCSD shall, to the maximum extent permitted by law, at all times protect, defend and hold the Issuer, the Applicable Trustee, the Bond Registrar, the Paying Agents and the Depository Bank and their respective officers, members, directors, employees and agents (collectively, the "**Indemnified Parties**") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to any Indemnified Party, losses arising from the gross negligence or willful misconduct of such Indemnified Party, arising upon or about any of the Facilities or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project and the Series 2018A Project and the marketing, remarketing, issuance and sale of the Bonds from time to time for such purpose, (ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or financing of the Facilities or any part of any thereof or the effecting of any work done in or about any of the Facilities, (iii) any defects (whether latent or patent) in any of the Facilities, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion thereof, or (v) the Fifth Amended Agreement, the Series 2010 Indenture, the First Supplemental Indenture, the Series 2017 Indenture, the Series 2018A Indenture or any other Project Document or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. Such indemnification set forth above shall be binding upon the SCSD for any and all claims, demands, expenses, liabilities and taxes set forth herein and shall survive the termination of the Fifth Amended Agreement. Except as provided above, no Indemnified Party shall be liable for any damage or injury to the person or property of the any School Party or its officials, members, directors, officers, employees, agents or servants or persons under the control or supervision of any School Party, or any other Person who may be about any of the Facilities, due to any act or negligence of any Person other than for the gross negligence or willful misconduct of such Indemnified Party.

Each School Party releases each Indemnified Party from, and agrees, to the maximum extent permitted by law, that no Indemnified Party shall be liable for and agrees to defend, indemnify and hold each Indemnified Party harmless against any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by such Indemnified Party with respect to any of the matters set forth in the Installment Sale Agreement or at the direction of any School Party with respect to any of such matters above referred to; provided, however, that such indemnification by the SCSD shall not extend to any Indemnified Party whose gross negligence or willful misconduct resulted in such expense, loss, damage, injury or liability. An Indemnified Party shall promptly notify the SCSD in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the SCSD pursuant to the Installment Sale Agreement; such notice shall be given in sufficient time to allow the SCSD to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense under the Installment Sale Agreement nor in any way impair the obligations of the SCSD under the Installment Sale Agreement, except that if (i) the Indemnified Party shall have had knowledge or notice of such claim or action but shall not have timely

notified the SCSD of any such claim or action, (ii) the SCSD shall have had no knowledge or notice of such claim or action, and (iii) the SCSD's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the Indemnified Party, then the SCSD's obligation to so defend and indemnify such Indemnified Party shall be qualified to the extent (and only to the extent) of such material impairment.

The indemnifications and protections set forth in the Installment Sale Agreement shall be extended, with respect to each Indemnified Party, to its members, directors, officers, employees, agents and servants and persons under its control or supervision.

Anything to the contrary in the Installment Sale Agreement notwithstanding, the indemnification, hold harmless and release covenants of the School Parties contained in the Installment Sale Agreement shall remain in full force and effect after the termination of the Installment Sale Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions therein specified.

None of the School Parties shall be deemed an employee, agent or servant of the Issuer or under the Issuer's control or supervision.

Nature of Obligations of the City and the SCSD. Except as otherwise provided under this heading, the obligation of the City and the SCSD to pay Installment Purchase Payments and Additional Payments shall be absolute and unconditional, and such Installment Purchase Payments and Additional Payments shall be payable without any rights of set-off, recoupment or counterclaim or deduction and without any right of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Applicable Trustee, any purchaser of any Bond or any other person, and whether or not the Facilities or any of them are used or occupied by the School Parties or available for use or occupancy by the School Parties.

The obligation of the SCSD to pay Installment Purchase Payments shall be deemed executory only to the extent of State Aid to Education appropriated by the State and available to the City and/or the SCSD for the purpose of the Installment Sale Agreement and the State Aid Depository Agreement, and moneys budgeted by the SCSD and appropriated by the City for such purpose, and no liability on account thereof shall be incurred by the City and the SCSD beyond the amount of such moneys; *provided however*, that the failure of the City and the SCSD for any reason (including a failure by the SCSD to budget for Installment Purchase Payments, a failure by the City to approve a budget for the SCSD providing for payment of Installment Purchase Payments or a failure by the State to appropriate State Aid Revenues) to make an Installment Purchase Payment or an Additional Payment shall be deemed a failure to make a payment for purposes of the Installment Sale Agreement and the Syracuse Schools Act, and in such event, the Issuer has appointed the Applicable Trustee to act as its agent for purposes of taking action under the intercept provisions of the Syracuse Schools Act. Further, the obligation of the City and the SCSD to pay Installment Purchase Payments is not a general obligation of the City or the SCSD. Neither the full faith and credit of the City or the SCSD nor the taxing power of the City is pledged to the payment of any Installment Purchase Payment or Additional Payment due under the Installment Sale Agreement. However, the obligations of the SCSD and the City under the Installment Sale Agreement to pay Additional Payments shall be a general obligation of the City and the SCSD, executory, however, only to the extent of moneys budgeted by the SCSD and approved and appropriated therefor by the City. It is understood that neither the Installment Sale Agreement nor any representation by any public

employee or officer creates any legal or moral obligation to appropriate or make moneys available for the purposes of the Installment Sale Agreement.

The obligations of the City and the SCSD under the Installment Sale Agreement, including their respective obligation to pay the Installment Purchase Payments and Additional Payments in any Fiscal Year for which the Installment Sale Agreement is in effect, shall constitute a current expense of the SCSD for such Fiscal Year and shall not constitute an indebtedness of the City or the SCSD within the meaning of any constitutional or statutory provision or other laws of the State. The only source of moneys available to the City and the SCSD for the payment of any Installment Purchase Payment coming due under the Installment Sale Agreement shall be moneys comprising State Aid to Education lawfully appropriated by the State and available therefor from time to time to or for the benefit of the SCSD, and approved and appropriated for such purpose by the City.

The SCSD agrees that (i) its proposed expense budget for each ensuing Fiscal Year commencing with the Fiscal Year ending June 30, 2009 shall include, either as a separate item of expenditure or as an expenditure within a budget item, the amount of Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year; and (ii) it shall approve payment of such Installment Purchase Payments and Additional Payments after appropriation by the City therefor. The City agrees that it shall approve a budget for the SCSD containing such item of expenditure or budget item and appropriate sufficient funds each ending Fiscal Year commencing with the Fiscal Year ending June 30, 2009 to make the Installment Purchase Payments and Additional Payments to come due in such next Fiscal Year, provided, however, that any such appropriation (y) of Installment Purchase Payments shall only be payable by the City and the SCSD to the extent of State Aid Revenues, and (z) of Additional Payments shall only be payable by the City and the SCSD to the extent contained in the SCSD budget approved by the City.

Subject to the limitations contained in the second paragraph under this heading, none of the School Parties will terminate the Installment Sale Agreement (other than such termination as is provided for therein) or be excused from performing its obligations therein for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of any of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of any of the Facilities, or the failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Installment Sale Agreement.

The School Parties presently intend to continue the Installment Sale Agreement for its entire term and to pay all Base Installment Purchase Payments and all Installment Purchase Payments specified in the schedule attached to the Installment Sale Agreement as such Base Installment Purchase Payments come due under the terms and provisions of the Installment Sale Agreement.

No provision contained above shall be deemed to limit, impair or modify the intercept provisions of the Syracuse Schools Act or the application of the implementing provisions of the Applicable Indenture.

For purposes of this heading, references to the "approval" of the SCSD budget by the City shall include the affirmative approval of the SCSD budget by ordinance of the City's Common Council approved by the Mayor of the City or, in the absence of such an ordinance, the effectiveness by the passage of time of an SCSD budget pursuant to the charter of the City.

Directed State Aid Revenues. Pursuant to instructions, the Commissioner of Finance of the City and the President of the Board of Education have directed the State Comptroller's Office to deposit all State Aid to Education into the State Aid Depository Fund established under the State Aid Depository Agreement, and the Commissioner of Financer of the City and the President of the Board of Education have further instructed the Depository Bank, pursuant to the terms and provisions of the State Aid Depository Agreement, to transfer State Aid to Education to the Applicable Trustee and each other Series Trustee in accordance with the State Aid Depository Agreement for the purpose of, in the case of the Applicable Indenture, making deposits in the Bond Fund with respect to amounts due on the Bonds and for replenishing deficiencies in the Debt Service Reserve Fund. The City and the SCSD agree not to modify the procedures set forth in the State Aid Depository Agreement for the collection, deposit or disbursement of State Aid Revenues, except as and to the extent permitted under the State Aid Depository Agreement.

Each of the City and the SCSD acknowledges that, pursuant to the intercept provisions of the Applicable Indenture (and the Syracuse Schools Act), in the event of a failure to make a payment under the Installment Sale Agreement in the amount and by the date the same is due (for any reason, including the failure of the SCSD or the City to budget for and appropriate moneys for such purpose and approve payment thereof with moneys appropriated therefor), the Issuer has appointed the Applicable Trustee to act as its agent under the Applicable Indenture for the purpose of delivering a certificate to the State Comptroller certifying as to such failure and setting forth the amount of such deficiency, and the State Comptroller, upon receipt of such certificate, shall be authorized to withhold from the City and the SCSD such state and/or school aid as is payable to the City or the SCSD to the extent of the amount so stated in such certificate of the Applicable Trustee as not having been made, and the State Comptroller shall immediately pay over to the Applicable Trustee on behalf of the Issuer, the amount of such state and/or school aid so withheld. Notwithstanding anything to the contrary contained in the Installment Sale Agreement, amounts of such state and/or school aid received by the Applicable Trustee on behalf of the Issuer and applied to the Installment Purchase Payments or Additional Payments shall be deemed to satisfy the obligation of the City and the SCSD to make such defaulted payment to the extent of the amount received.

Operation, Maintenance and Repair. During the Agreement Term, the SCSD shall be responsible for, and pay all costs of, operating the Facilities, maintaining the same in good and safe condition, and making all necessary repairs and replacements, interior and exterior, structural and non-structural. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the SCSD agrees to assume full responsibility therefor.

Utilities, Taxes and Governmental Charges. The SCSD will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service, rendered or supplied upon or in connection with the Facilities during the Agreement Term.

In addition, the SCSD shall (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer, the City or the SCSD with respect to or upon any of the Facilities or any part thereof or upon any payments under the Installment Sale Agreement when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities; (iii) not create

or suffer to be created any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon the payments in respect thereof under the Installment Sale Agreement; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon any of the Facilities or any part of any thereof, except Permitted Encumbrances, or upon any payments under the Installment Sale Agreement and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments under the Installment Sale Agreement.

Additions, Enlargements and Improvements. The SCSD shall have the right at any time and from time to time during the Agreement Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, any of the Facilities, as the SCSD shall deem necessary or desirable in connection with the use of such Facilities. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the related Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the affected Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances.

Additional Rights of SCSD. The Issuer agrees that the SCSD shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense equipment (not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project) in or upon any Facility as may in the SCSD's judgment be necessary for its purposes. It is further understood and agreed that any equipment erected or installed under the provisions of Section 5.4 of the Installment Sale Agreement shall be and remain the personal property of SCSD and, if not constituting part of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project shall not become subject to the Installment Sale Agreement, and may be removed, altered or otherwise changed, upon or before the termination of the Installment Sale Agreement.

Liability Insurance. The JSCB shall maintain or cause to be maintained with responsible insurers, for the benefit of the Issuer and the Applicable Trustee until the later of the completion of the Series 2008 Project, the Series 2010 Project, the Series 2011 Project, the Series 2017 Project or the Series 2018A Project in accordance with the provisions of the Installment Sale Agreement set forth under the heading "The Project Fund", the following kinds and the following amounts of insurance with respect to the Facilities, with such variations as shall reasonably be required to conform to customary insurance practice:

During any period of construction or reconstruction of any of the Facilities, Builders' Special Form Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, machinery, equipment, fixtures and other property included within reconstruction of any of the Facilities against loss or damage by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the School Parties, the Issuer or the Applicable Trustee from becoming a co-insurer of any loss under the insurance policies; any such insurance may limit coverage to \$20,000,000 for any one Facility;

During any period of construction or reconstruction of any of the Facilities, commercial public liability insurance with respect to the construction activities at the Facilities in a minimum amount of \$26,000,000 per occurrence and aggregate, which insurance may be effected under overall blanket or excess coverage policies, provided, however, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and

Workers' compensation insurance and such other forms of insurance which the City, the SCSD or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of any contractor or subcontractor performing work with respect to any of the Facilities included within the Series 2008 Project, the Series 2010 Project, the Series 2011 Project and the Series 2018A Project; the JSCB shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by law.

Prior to the commencement of construction of the Facilities, the JSCB shall deliver or cause to be delivered to the Issuer and to the Applicable Trustee duplicate copies of insurance policies obtained by the JSCB under the Installment Sale Agreement and/or binders evidencing compliance with the insurance requirements of the Installment Sale Agreement. If any change shall be made in any such insurance, a description and written notice of such change shall be furnished by the JSCB to the Issuer and the Applicable Trustee thirty (30) days in advance of such change.

At least thirty (30) days prior to the expiration of any insurance policy required under the Installment Sale Agreement, the JSCB shall furnish the Issuer and the Applicable Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Installment Sale Agreement.

All insurance required by the Installment Sale Agreement above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State.

The JSCB shall, at its own cost and expense of the SCSD and the City, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Applicable Trustee to collect from insurers for any loss covered by any insurance required to be obtained under this heading. A School Party shall not do any act, or suffer or permit any act to be done, whereby any insurance required under this heading would or might be suspended or impaired. The SCSD assumes all risks that the proceeds of any insurance may be inadequate to fully indemnify the Issuer and the Applicable Trustee against, or to reimburse the Issuer and the Applicable Trustee for, any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required by the Installment Sale Agreement. The SCSD acknowledges that the SCSD shall be solely responsible for the payment of any loss, liability, claim or judgment, or any portion thereof, falling within any deductible or self insured retention or which is in excess of any available insurance coverage.

Damage, Destruction or Condemnation. The School Parties agree to notify the Issuer and the Applicable Trustee immediately in the case of damage to or destruction of any Facility or any portion thereof in an amount exceeding \$100,000 resulting from fire or other casualty, and shall state the plans of the School Parties with respect to the repair, reconstruction and restoration of the affected Facility.

If any Facility or portion thereof shall be condemned or taken by eminent domain, the Installment Sale Agreement (with respect to the affected Facility or portion thereof) and the interest of the City and the SCSD thereunder shall terminate when title to such Facility or portion thereof vests in the party condemning or taking the same (hereinafter referred to as the "*termination date*"), and the

School Parties will promptly give notice thereof to the Issuer and the Applicable Trustee, and shall state the plans of the School Parties with respect to the replacement or restoration of the affected Facility.

If any Facility shall be damaged or destroyed (in whole or in part), or the whole or any part of any Facility shall be taken or condemned by a competent authority or by agreement between the City and/or the SCSD and those authorized to exercise such right or if the temporary use of any Facility or any part thereof shall be so taken by condemnation or agreement (a “*Loss Event*”) at any time while the Installment Sale Agreement is in effect:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the affected Facility; and

(ii) there shall be no abatement or reduction in the amounts payable by the City and the SCSD under the Installment Sale Agreement (whether or not the affected Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) the proceeds derived from the insurance (after payment of all reasonable expenses, costs and taxes (including attorneys’ fees) (the “*Net Proceeds*”) incurred in obtaining such proceeds) shall be deposited in the Project Fund, and, subject to the provisions clause (iv) below, at the option of the City, shall be applied to either (A) replace, repair, rebuild, restore or relocate the affected Facility, or (B) redeem a principal amount of Bonds equal to such proceeds in accordance with the Applicable Indenture; and

(iv) If the School Parties replace, repair, rebuild, restore or relocate the affected Facility, the Applicable Trustee shall disburse such proceeds from the Project Fund in the manner set forth in the Applicable Indenture to pay or reimburse the School Parties for the cost of such replacement, repair, rebuilding, restoration or relocation. Notwithstanding anything to the contrary in clause (iii) above, if (A) the aggregate net proceeds derived from insurance with respect to a particular loss are less than \$50,000, and (B) no Event of Default then exists under the Applicable Indenture or the Installment Sale Agreement; the School Parties shall be entitled to withdraw such proceeds from the Project Fund for application to Project Costs in accordance with the Installment Sale Agreement and with the Tax Compliance Documents.

Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the restored Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the restored Facility shall continue to constitute a “project” as such term is defined in the Syracuse Schools Act, and the tax-exempt status of the interest on the Bonds shall not, in the opinion of Nationally Recognized Bond Counsel, be adversely affected; and

(iii) the restored Facility will be subject to no Liens other than Permitted Encumbrances.

All such repair, replacement, rebuilding, restoration or relocation of a Facility shall be affected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the School Parties in accordance with the terms of the applicable contracts.



In the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the School Parties shall nonetheless complete the work and pay from its own moneys or from proceeds of Additional Bonds, if any, issued for such purpose that portion of the costs thereof in excess of such proceeds. All such replacements, repairs, rebuilding, restoration or relocations made, whether or not requiring the expenditure of the money of the School Parties, shall automatically become a part of a Facility as if the same were specifically described in the Installment Sale Agreement.

Any balance of such proceeds remaining in the Project Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of an affected Facility shall, subject to any rebate required to be made to the federal government pursuant to the Applicable Indenture or the Tax Compliance Documents, be used to redeem the Bonds as provided in the Applicable Indenture. If the entire amount of the Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Applicable Indenture, all such remaining proceeds shall be paid to the City for the benefit of the SCSD.

Compliance with Laws and Regulations. Each of the JSCB and the SCSD will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the School Parties and any of the Facilities or the use or manner of use of any of the Facilities; provided, however, the obligation of the JSCB or the SCSD to comply with any such law, rule, regulation or governmental requirement shall be suspended during any contest thereof in good faith by the JSCB or the SCSD, which contest is being diligently prosecuted. Each of the JSCB and the SCSD will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

Assignment and Sale by the School Parties. The School Parties will not sell, lease, transfer or otherwise dispose of or encumber any of their interest in any of the Facilities except in the case of Permitted Encumbrances or as provided under the heading "Release of Facilities" below; provided, however, that the SCSD may lease or license part of any Facility (x) for a purpose and use consistent with the License and the Installment Sale Agreement, (y) upon delivery to the Applicable Trustee of an Opinion of Counsel to the effect that such lease or license shall neither limit nor impair the obligations of the School Parties under the Installment Sale Agreement, and (z) upon delivery to the Applicable Trustee of an opinion of Nationally Recognized Bond Counsel to the effect that such lease or license will not cause interest on any of the Bonds to become includable in gross income for federal income tax purposes. The Installment Sale Agreement may be assigned in whole or in part by one or more of the School Parties upon written consent of the Issuer, the other School Parties and the Applicable Trustee (which consent may be unreasonably withheld) but no assignment shall relieve the School Parties from primary liability for any of its obligations under the Installment Sale Agreement, and in the event of any such assignment each of the School Parties shall continue to remain primarily liable for the respective payments specified in the Installment Sale Agreement and for performance and observance of the other agreements provided on its part in the Installment Sale Agreement.

Covenant not to Affect the Tax-Exempt Status of the Bonds. The School Parties each agree that throughout the Agreement Term, it will comply with the Tax Compliance Documents and it will take no action, or permit any action to be taken, with respect to any Facility which will impair the exemption of interest on any Outstanding Bonds from Federal income taxes.

Covenants as to State Aid Depository Agreement. The City and the SCSD agree not to revoke the instructions furnished to the State Comptroller's office to forward all State Aid to Education payments

to the Depository Bank. The City and the SCSD also agree to comply with and not to terminate the State Aid Depository Agreement or materially modify the terms and provisions thereof, except as may be permitted under the terms of the State Aid Depository Agreement.

Release of Facilities. So long as there exists no event of default under the Installment Sale Agreement, nor any event which upon the giving of notice or the passage of time or both, would constitute an event of default, the SCSD may, upon written notice to the Issuer and the Applicable Trustee and compliance with the following, effect the release of a Facility, to no longer be used by the SCSD as a public school, or the costs with respect to which have been financed with the Bonds which are no longer Outstanding, from the Installment Sale Agreement and the License. Upon receipt of such notice, the Issuer and the Applicable Trustee shall, at the sole cost and expense of the SCSD, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the Facilities subject to the Installment Sale Agreement and the License; provided, however, that in the event the release is of the last remaining Facility, the SCSD and the City must further pay Base Installment Purchase Payments necessary to effect the redemption in whole of the Bonds.

No conveyance or release effected under the provisions described under this heading shall entitle the SCSD or the City to any abatement or diminution of the Installment Purchase Payments or the Additional Payments required to be made by the SCSD and the City under the Installment Sale Agreement.

Compliance with Requirements for State Aid to Education and Other State and/or School Aid. The City and the SCSD will comply with all requirements necessary to ensure receipt of State Aid to Education and other state and/or school aid payable to the City or the SCSD over the term of the Installment Sale Agreement.

No Impairment of Pledge of State Aid to Education and Other State and/or School Aid. Each of the School Parties covenants and agrees that it shall enter into no agreement, indenture or other instrument, including any Series Facilities Agreement, in connection with a Series of Project Bonds under a Series Indenture, which shall have the effect, directly or indirectly, of providing a greater priority or preference to the intercept of state and/or school aid payable to the City or the SCSD under the Syracuse Schools Act; provided, however, that nothing contained in the Installment Sale Agreement shall be deemed (y) to limit or deny the ability of the issuer of a Series of Project Bonds to pledge State Aid to Education on a parity with the pledge effected by the Issuer under the Applicable Indenture, or (z) to require that any Series of Project Bonds issued under a Series Indenture have the same payment dates or amortize principal on a schedule comparable to that of the Bonds Outstanding under the Applicable Indenture, or that any lease rental payment dates or installment purchase payment dates, as applicable, under a Series Facilities Agreement be the same as provided for under the Installment Sale Agreement.

Events of Default. An “event of default” or a “default” shall mean, whenever they are used herein, any one or more of the following events:

(a) Default in the due and punctual payment of any Installment Purchase Payment (other than failure to pay as a result of an Event of Nonappropriation);

(b) Default in the due and punctual payment of any Additional Payment, which default shall continue for a period of thirty (30) days after payment thereof was due;

(c) Failure by any School Party to observe and perform any of the terms and covenants on its part to be observed or performed set forth in Section 4.4(d), 4.4(e), 4.4(f), 7.12 or 7.21 hereof;

(d) Failure of the SCSD to observe and perform the covenants set forth in Section 4.3 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the SCSD of written notice specifying the nature of such default from the Issuer or the Trustee;

(e) Failure of the JSCB to observe and perform the covenants set forth in Section 5.5 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the JSCB of written notice specifying the nature of such default from the Issuer or the Trustee;

(f) Failure by any School Party to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraphs (a), (b), (c), (d) and (e) of this Section, 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 defaulting party and the other School Parties by the Issuer, the Applicable Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the defaulting party has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions.

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

(h) The entering of an order or decree appointing a receiver of the Facilities or any thereof with the consent or acquiescence of the City or the SCSD or the entering of such order or decree without the acquiescence or consent of the City or the SCSD if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

Notwithstanding anything contained in this Section to the contrary, a failure by the City or the SCSD to pay when due any payment required to be made hereunder or a failure by the City or the SCSD to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, resulting from a failure by the Board of Education to include such payment obligation and moneys for such purposes in the annual budget for the SCSD, failure by the City to approve such budget and appropriate moneys for such purpose, or a failure by the SCSD to approve payment thereof after appropriation by the City therefor shall not constitute an event of default hereunder. However, the failure by the City or the SCSD to pay when due any payment required to be made by it under the Installment Sale Agreement shall constitute a failure to make a payment under the Installment

Sale Agreement for purposes of the Syracuse Schools Act, and in such event the Issuer has appointed the Trustee to act as its agent for purposes of taking action under Section 5.4 of the Indenture. The City and the SCSD agree to provide written notice to the Trustee indicating either (i) the Board of Education submitted an annual budget for the SCSD to the Mayor of the City that fails to include a separate line item representing the full amount of Installment Purchase Payments payable during the applicable Fiscal Year, (ii) the City approved an annual budget for the SCSD that fails to include such a separate line item, or (iii) the SCSD failed to approve payment of such full amount after appropriation by the City therefor.

Remedies. Whenever any event of default as provided above shall have happened and be continuing, or whenever an Event of Nonappropriation shall have occurred and be continuing, the Issuer (with the prior written consent of the Applicable Trustee) or the Applicable Trustee, subject in all respects to the provisions under the heading “Nature of Obligations of the City and the SCSD” above, 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 School Parties under the Installment Sale Agreement. For so long as any of the Bonds are Outstanding or any amounts remain due and payable by the School Parties under the Installment Sale Agreement, neither the Issuer nor the Applicable Trustee shall take any action which shall have the effect of terminating the Installment Sale Agreement or the interest in or rights of possession of the City or the SCSD in the Facilities, provided, however, that in addition to any other rights or remedies granted under this heading to the Issuer, the Issuer may enforce any of the Issuer’s Reserved Rights without the consent of the Applicable Trustee or any other person, by an action for damages, injunction or specific performance.

No action taken pursuant to provisions under this heading shall relieve any School Party from the its obligations under the Installment Sale Agreement, all of which shall survive any such action.

Cure. Notwithstanding any remedy taken by the Issuer or the Applicable Trustee pursuant to the provisions described under the immediately preceding heading, if all arrears of Installment Purchase Payments, and all other Additional Payments, shall have been paid, all other things shall have been performed in respect of which there was an event of default or Event of Nonappropriation and there shall have been paid the reasonable fees and expenses, including expenses of the Applicable Trustee (including reasonable attorneys’ fees paid or incurred), then the event of default or Event of Nonappropriation shall be waived without further action by the Applicable Trustee or the Issuer.

No Remedy Exclusive. Subject to the provisions of the second sentence under the heading “Remedies” above, no remedy conferred in the Installment Sale Agreement upon or reserved to the Issuer or the Applicable Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given in the Installment Sale 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 default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Applicable Trustee to exercise any remedy reserved to it in the Installment Sale Agreement it shall not be necessary to give any notice, other than such notice as may be expressly required in the Installment Sale Agreement.

Effect on Discontinuance of Proceedings. In case any proceeding taken by the Applicable Trustee under the Applicable Indenture or the Installment Sale Agreement or under any other Security Document on account of any event of default or Event of Nonappropriation under the Installment Sale Agreement or the Applicable Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Applicable Trustee, then, and in every such case, the Issuer, the

Applicable Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights thereunder, and all rights, remedies, powers and duties of the Applicable Trustee shall continue as in effect prior to the commencement of such proceedings.

Limitations on Termination of Agreement. Neither the Issuer, the Applicable Trustee nor any School Party shall take or fail to take any action which would cause the Installment Sale Agreement to terminate while any Bonds remain Outstanding or any amounts remain due and payable under the Installment Sale Agreement or prior to the discharge of the lien of the Applicable Indenture.

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FORM OF OPINION OF BOND COUNSEL

*Upon delivery of the Series 2018A Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:*

**BARCLAY DAMON, LLP**

March 15, 2018

City of Syracuse Industrial Development Agency  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the City of Syracuse Industrial Development Agency (the "*Issuer*") of its School Facility Revenue Bonds, Series 2018A (Syracuse City School District Project) in the aggregate principal amount of \$67,265,000 (the "*Series 2018A Bonds*").

The Series 2018A Bonds are authorized to be issued pursuant to (i) Title I of Article 18-A of the General Municipal Law of the State of New York (the "*State*"), as amended, and Section 926 of the State's General Municipal Law, as amended from time to time (collectively, the "*IDA Act*") and Chapter 58, Part A-4 of the Laws of 2008 of the State, as amended from time to time (the "*Syracuse Schools Act*"); (ii) a certain Indenture of Trust (Series 2018A) dated as of March 1, 2018 (the "*Indenture*") by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"); and (iii) a resolution adopted by the Issuer on January 16, 2018 (the "*Inducement Resolution*") and an approving resolution adopted by the Issuer on January 16, 2018 (the "*Bond Resolution*") and together with the Inducement Resolution, the "*Resolution*"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series 2018A Bonds are being issued to finance a project (the "*Series 2018A Project*") undertaken by the Issuer at the request of the Syracuse Joint Schools Construction Board (the "*JSCB*"), acting as agent of the City of Syracuse, New York (the "*City*") and the City School District of the City of Syracuse (the "*SCSD*"), consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the "*Buildings*"); (ii) the reconstruction,

renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**" and together with the Buildings, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A Project in an aggregate principal amount of up to \$82,000,000.

The Series 2018A Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Series 2018A Bonds are subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Indenture.

The SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank (as the "**Depository Bank**") have entered into a certain State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amended and Restated State Aid Depository Agreement, dated as of December 1, 2010 (as the same may be further amended or supplemented from time to time, collectively the "**State Aid Depository Agreement**"), pursuant to and with respect to which each of the Commissioner of Finance of the City and the SCSD have instructed the State Comptroller to pay all New York State building and operating aid appropriated by the State for the SCSD directly to the State Aid Depository Fund established with and held by the Depository Bank pursuant to the State Aid Depository Agreement.

The City and the SCSD have granted a license to the Issuer in and to the Facilities pursuant to a License Agreement (Series 2008 Project), dated as of March 1, 2008, among the City, the SCSD and the Agency (the "**Original License**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), and as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017 (the "**Third Amendatory License Agreement**") and as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018 (the "**Fourth Amendatory License Agreement**" and together with the Original License, the Amendatory License Agreement, the Second Amendatory License Agreement and the third Amendatory License Agreement, collectively, the "**License**"); and conveyed title to the Equipment (as defined in the Installment Sale Agreement as defined hereinbelow) comprising a portion of the Facilities to the Issuer pursuant to a Bill of Sale to Agency, dated as of March 1, 2008, as amended by an Amendatory Bill of Sale dated as of December 1, 2010, as further amended by a Second Amendatory Bill of Sale dated as of March 1, 2018 (collectively, the "**Bill of Sale**"). The Issuer has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of December 1, 2010 (the "**Second Amended Agreement**"); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the "**Third Amended Agreement**"); Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the "**Fourth Amended Agreement**"); and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the "**Fifth Amended Agreement**" and together with the Original Agreement, the First Amended Agreement, the Second



Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, the "**Installment Sale Agreement**" or "**Agreement**") as same may be further amended or supplemented from time to time, each between the Agency, the City, the JSCB and the SCSD. Pursuant to the Installment Sale Agreement, the SCSD and the City have agreed to pay scheduled Installment Purchase Payments in amounts equal to the principal of and interest on the Series 2018A Bonds, *provided, however*, that such Installment Purchase Payment obligation of the SCSD and the City are executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement) available for such payment from the State Aid Depository Fund and transferred therefrom to the Trustee by the Depository Bank, and further subject to budgeting by the SCSD, appropriation by the City for such purpose and approval by the SCSD of payment thereof after appropriation by the City therefor.

Pursuant to the Indenture and the Pledge and Assignment dated as of March 1, 2018, by the Issuer to the Trustee, acknowledged by the City, the SCSD and the JSCB, the Issuer has assigned to the Trustee substantially all of the Issuer's right, title and interest in, to and under the Installment Sale Agreement, including the foregoing Installment Purchase Payments to be made by the SCSD and the City.

It is provided in the Indenture that, upon satisfying certain conditions, the Issuer may issue one or more series of additional bonds (the "**Additional Bonds**") from time to time on the terms and conditions and for the purposes stated in the Applicable Indenture; and the Additional Bonds, if issued, will be equally and ratably secured under the Applicable Indenture with the Series 2018A Bonds. The Indenture further provides that the amount of Installment Purchase Payments required to be paid under the Installment Sale Agreement shall be re-calculated so as to provide money for the full and timely payment of the principal of and interest on the Series 2018A Bonds and any such series of Additional Bonds.

We have reviewed an opinion of even date herewith of Trespasz & Marquardt LLP, counsel to the JSCB, upon which we are relying as to the due authorization, validity and enforceability of the Installment Sale Agreement and any other documents executed by the JSCB, as they relate to the JSCB; an opinion of even date herewith of the Corporation Counsel of the City of Syracuse, counsel to the City and the SCSD, upon which we are relying as to the due authorization, validity and enforceability of the License, the Installment Sale Agreement, the State Aid Depository Agreement and any other documents executed by each party as they relate to the City and the SCSD; and an opinion of even date herewith of Hodgson Russ LLP, counsel to the Trustee and the Depository Bank upon which we are relying as to the due authorization, validity and enforceability of the Indenture by the Trustee. No opinion as to such matters is expressed herein.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including documents contained in the record of proceedings with respect to the issuance of the Series 2018A Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

For purposes of the opinions set forth in paragraph (vi), we have assumed: (a) the accuracy of certain factual certifications of the Issuer, the JSCB, the SCSD and the City; and (b) continuing compliance by the Issuer, the JSCB, the SCSD and the City with their respective tax-related covenants in the Indenture, the Installment Sale Agreement, the Tax Certificate, dated the date hereof, of the Issuer and the Arbitrage and Use of Proceeds Certificate dated the date hereof of the JSCB, the SCSD and the City. In the event of the inaccuracy or incompleteness of any of such certifications or of the failure by the

Issuer, the JSCB, the SCSD or the City to comply with such covenants, the interest on the Series 2018A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Series 2018A Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although such interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of such interest may otherwise affect the tax liability of a holder of a Series 2018A Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2018A Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Series 2018A Bonds, and we express no opinion relating thereto. We have not been requested to examine and have not examined any documents or information relating to the JSCB, the City or the SCSD other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2018A Bonds.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing corporate governmental agency constituting a public benefit corporation under the laws of the State.
- (ii) The Series 2018A Project constitutes a "project" under and as defined in the IDA Act and the Syracuse Schools Act.
- (iii) The Issuer has the right and power under the IDA Act and the Syracuse Schools Act: (a) to acquire a license interest in Facilities and title to the Equipment; (b) to undertake the Series 2018A Project and to issue, execute, sell and deliver the Series 2018A Bonds in connection with the Series 2018A Project; (c) to assign its interest in the Installment Sale Agreement to the Trustee as provided in the Indenture and the Installment Sale Agreement; and (d) to enter into the Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement.
- (iv) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (v) The Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement the have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.
- (vi) The Series 2018A Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms and are entitled to the benefits of the Indenture. The Indenture creates a valid pledge of and a valid lien upon the Trust Estate, except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for the purposes and on the terms and conditions set forth in the Indenture.

- (vii) Under existing law and assuming the accuracy of certain representations and compliance with certain tax covenants described herein: (a) interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and (b) interest on the Series 2018A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State and the political subdivisions thereof (including the City of New York).

[The Series 2018A Bonds maturing on \_\_\_\_\_ (collectively the “*Premium Bonds*”) have been initially offered to the public at prices greater than the amount payable with respect to such Premium Bonds at maturity. As a result of requirements under the Code relating to tax cost reduction associated with the amortization of bond premium, under certain circumstances the initial purchaser of such Premium Bond may realize taxable gain upon disposition thereof even though sold or redeemed for an amount less than or equal to such purchaser’s original acquisition cost. The amortization requirements may also result in the reduction of the amount of stated interest which an initial purchaser of such Premium Bond is treated as having received for federal tax purposes.]

[The Series 2018A Bonds maturing on \_\_\_\_\_ (collectively the “*Discounted Bonds*”) have been initially offered to the public at prices less than the amount payable with respect to such Discounted Bonds at maturity. The difference between the stated principal amount of such Discounted Bonds and the initial offering price of such Discounted Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discounted Bonds of the same maturity were sold constitutes original issue discount. Such original issue discount is excluded from gross income for Federal income tax purposes to the same extent as interest on such Discounted Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of such Discounted Bond and the basis of such Discounted Bond acquired at such initial offering price by an initial purchaser of such Discounted Bond will be increased by the amount of such accrued discount. The accrual of original income discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Discounted Bonds, even though there will not be a corresponding cash payment.]

In rendering our opinion, we wish to advise you that:

(a) The enforceability against the Issuer of the Series 2018A Bonds, the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors’ rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the priority of the fee interest or the ownership of any other interest in any parcel of the land included within the Series 2018A Project, or the sufficiency of the description of any such parcel in the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment or the existence of any liens or encumbrances on any property.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Series 2018A Bonds may be changed,

and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. We express no opinion as to any series of the Series 2018A Bonds or the interest thereon, if any, with respect to any change or action taken upon the advice or approval of bond counsel other than Barclay Damon LLP.

(e) We have assumed the due filing and sufficiency of financing statements under the State Uniform Commercial Code.

(f) We express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the rehabilitation, construction, reconstruction or equipping of any of the Facilities or the operation of any of the Facilities, or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to any of the Facilities or the transactions contemplated under the Indenture.

We have examined the executed Bond numbered RA-1 through RA-\_\_\_, in fully registered form and, in our opinion, the form of the Bond and the execution thereof are regular and proper.

Very truly yours,

**BARCLAY DAMON LLP**

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (“Disclosure Agreement”) is entered into as of March 15, 2018, by and between the SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD (the “JSCB”), on behalf of itself, the CITY SCHOOL DISTRICT OF THE CITY OF SYRACUSE (the “SCSD”) and the CITY OF SYRACUSE (the “City”), party of the first part, and MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee (the “Trustee”), party of the second part, in connection with the issuance by City of Syracuse Industrial Development Agency (the “Agency”) of its \$67,265,000 aggregate principal amount School Facility Revenue Bonds (City School District of the City of Syracuse Project), Series 2018A (the “Series 2018A Bonds”).

The Series 2018A Bonds are being issued pursuant to an Indenture of Trust (Series 2018A Project) dated as of March 1, 2018 (the “Indenture”). Proceeds of the Series 2018A Bonds are being used to (a) to finance a portion of the costs of the Series 2018A Project (as defined herein), consisting of the design and/or rehabilitation and reconstruction of certain existing school buildings located in the City. and the acquisition of equipment, fixtures and furnishings all for use by the SCSD (the "Series 2018A Project") as more particularly set forth in the Indenture and in accordance with Chapter 58, Part A-4 of the Laws of 2006 of the State, as amended (the “Syracuse Schools Act”); (b) to fund capitalized interest for the Series 2010 Project; and (c) to finance certain costs of issuance of the Series 2018A Bonds. The Series 2018A Project is being undertaken to finance certain costs of Phase II of a four/to/five phase ten/year comprehensive redevelopment program.

In order to permit the Underwriters of the Series 2018A Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2018A Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by JSCB, on behalf of each of the City and the SCSD, and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2018A Bonds and in order to assist the Underwriters in complying with the Rule (as defined below). The JSCB and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

SECTION 2. Definitions. Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

“Annual Report” shall mean any annual report and related annual information to be provided by the JSCB on behalf of the SCSD and the City, pursuant to Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Chairman of the JSCB or his or her designee, or such other person as the JSCB shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the SCSD and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period of twelve months beginning July 1 of each year and ending on June 30 of the same year, or any other twelve month period adopted by the SCSD as its fiscal year for accounting purposes.

“Listed Events” shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Repository” shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of New York.

“Underwriters” shall mean collectively, Raymond James, on its own behalf and as the Representative of the other Underwriters set forth on Schedule I attached hereto, as the original underwriters of the Series 2018A Bonds required to comply with the Rule in connection with the offering of the Series 2018A Bonds.

### SECTION 3. Obligations to Provide Continuing Disclosure.

On an annual basis, no later than one calendar year after the end of each respective Fiscal Year, commencing with the Fiscal Year ended June 30, 2018, the JSCB shall provide, on behalf of the SCSD or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as provided in Section 4(ii) hereof. If the Fiscal Year changes, the JSCB shall give notice of such change in the same manner as required for a Listed Event. The JSCB shall provide sufficient copies of the Annual Reports to facilitate the Dissemination Agent’s carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the JSCB, on behalf of the SCSD, for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the SCSD and the City.

The Dissemination Agent shall file a report with the JSCB and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual Report has been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.

SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) The audited financial statements of the SCSD for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the SCSD's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available; and

(b) Material historical quantitative data, including, but not limited to, information on State Aid to Education to be received by the SCSD and/or the City, as applicable, and all statutory intercepts applicable to the SCSD and/or the City, as applicable, as applicable, not otherwise described in the Final Official Statement dated March 2, 2018 ("Final Official Statement"), as well as any other revenues, expenditures, financial operations and indebtedness with respect to the Series 2018A Bonds generally of the type discussed in the sections and subsections of the Final Official Statement entitled, "THE PROGRAM," "PROGRAM PARTICIPANTS", and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS —State Aid."

(c) A report consolidating the information required from the SCSD under subsection 4(i)(a) above.

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the SCSD may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call 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 shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The SCSD shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2018A Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2018A Bonds, or other material events affecting the tax status of the Series 2018A Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2018A Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the JSCB, the SCSD or the Issuer;

Note to clause (13): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the SCSD in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the SCSD, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the SCSD

14. The consummation of a merger, consolidation, or acquisition involving the SCSD or the Issuer or the sale of all or substantially all of the assets of the SCSD or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
16. Failure of the SCSD to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement;



(b) Certain of the six Listed Events subject to a materiality standard may not be applicable. Whenever the SCSD obtains knowledge of the occurrence of such a Listed Event, the SCSD shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2018A Bonds.

(c) The JSCB, on behalf of the SCSD, shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the SCSD to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the SCSD nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2018A Bonds, (B) the SCSD does not apply for or participate in obtaining the enhancement, and (C) the SCSD does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2018A Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2018A Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes,” “structured,” “targets” or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The JSCB’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2018A Bonds.

SECTION 7. Dissemination Agent. The JSCB may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the JSCB, on behalf of SCSD or the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the JSCB shall pay the Dissemination Agent an annual fee of \$500.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the “Requirements”) may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the SCSD, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2018A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the SCSD (such as, but without limitation, the SCSD's financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2018A Bonds, ceases to be in effect for any reason, and the SCSD elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the JSCB, on behalf of the SCSD, shall have delivered to the Trustee an opinion of Counsel, addressed to the SCSD, the City, the JSCB, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the JSCB from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the JSCB, at the direction of the SCSD or the City, chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the JSCB shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Requirements (the "Undertaking") or for any remedy for breach thereof, unless such Bondholder shall have filed with the SCSD evidence of ownership and a written notice of and request to cure such breach, and the SCSD shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the SCSD agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder

and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent's negligence or willful misconduct. The obligations of SCSD under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018A Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the JSCB:

Syracuse Joint Schools Construction Board  
Attention: Secretary  
203 City Hall  
Syracuse, New York 13202  
Tel: (315) \_\_\_\_ - \_\_\_\_  
Fax: (315) \_\_\_\_ - \_\_\_\_

with copies to

SCSD:

City SCSD of the City of Syracuse  
725 Harrison Street, City Hall  
Syracuse, New York 13210  
Attention: Superintendent  
Tel: (315) \_\_\_\_ - \_\_\_\_  
Fax: (315) \_\_\_\_ - \_\_\_\_

the City:

City of Syracuse  
Attention: Mayor and Corporation Counsel  
233 East Washington Street  
City Hall, Room 203  
Syracuse, New York 13202  
Tel: (315) 448-8400  
Fax: (315) \_\_\_\_ - \_\_\_\_

and

Theodore A. Trespasz, Jr., Esq.  
Trespasz & Marquardt, LLP  
251 West Fayette Street  
Syracuse, New York 13202  
Tel: (315) 466-4444  
Fax: (315) 466-5555

To the Trustee:

Manufacturers and Traders Trust Company  
One M & T Plaza, 7<sup>th</sup> Floor  
Buffalo, New York 14203  
Attention: Corporate Trust Department  
E-mail address: rwhitley@mtb.com  
Tel: (716) 842-5602  
Fax: (716) 842-4474

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 9.3 of the Indenture as if it were a fiduciary under the Indenture.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

SYRACUSE JOINT SCHOOLS  
CONSTRUCTION BOARD

By: \_\_\_\_\_  
[Name]  
[Title]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By: \_\_\_\_\_  
Authorized Officer

SCHEDULE I

Raymond James

FTN Financial Capital Markets

Loop Capital Markets

Ramirez & Co., Inc.

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Syracuse Industrial Development Agency  
Name of Bond Issue: \$67,265,000 Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A (the "Series 2018A  
Bonds")  
Date of Issuance: March 15, 2018

NOTICE IS HEREBY GIVEN that City School District of the City of Syracuse (the "SCSD") has not provided an Annual Report with respect to the above-named Series 2018A Bonds as required by the Continuing Disclosure Agreement, dated as of March 15, 2018 between the Syracuse Joint Schools Construction Board, on behalf of the SCSD and the City of Syracuse, and Manufacturers and Traders Trust Company, as trustee. [The \_\_\_\_\_ anticipates that an Annual Report will be filed by\_\_\_\_\_.]

Dated: \_\_\_\_\_

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# Fitch Ratings

## Fitch Rates Syracuse IDA School Facility (NY) Rev Bonds 'AA'; Outlook Stable

Fitch Ratings-New York-11 January 2018: Fitch Ratings has assigned a 'AA' rating to the following Syracuse Industrial Development Agency, NY (IDA) revenue bonds:

--\$65.7 million school facility revenue bonds (Syracuse city school district project), series 2018A.

In addition, Fitch has affirmed the 'AA' ratings on approximately \$32 million of school facility revenue bonds outstanding (Syracuse city school district project), series 2008A.

The Rating Outlook is Stable.

### SECURITY

The bonds are secured solely by state aid revenues annually appropriated to the Syracuse City School District by the state of New York and remitted to the district from the period Dec. 1 through March 31 (the collection period).

In the event that the district fails to appropriate state aid sufficient to cover debt service payments by Nov. 10 (for debt service payments scheduled for the following May 1 and Nov. 1), state aid sufficient to cover principal and interest will be intercepted by the state and forwarded to the trustee. As intercepted aid is not subject to appropriation by the district, this provision effectively removes the risk to bondholders of non-appropriation by the district.

There is no debt service reserve securing the 2018A bonds.

### KEY RATING DRIVERS

**RATING BASED ON STATE INTERCEPT:** The 'AA' rating is based on the state's obligation to intercept the district's state aid in a timely manner as needed to pay debt service. Administrative, structural and legal protections in place for the bonds provide credit enhancement for this debt at a level equal to one notch below New York State's 'AA+' Issuer Default Rating (IDR). The 'AA' rating does not reflect the district's underlying credit quality.

**STATE AID SET-ASIDE:** Bondholders benefit from remittance of state aid to a depository fund from which debt service is set aside before flowing to the district. In the event of a failure by the district to certify that sufficient funds have been set aside to cover upcoming debt service, state aid is remitted directly to the trustee, providing for pre-default payment.

**STRONG COVERAGE:** Interceptable state aid provides strong coverage of maximum annual debt service (MADS) on the current issue and on total authorized borrowing. Fitch expects coverage levels to remain strong despite potential modest declines in the coming years due to the district's extensive capital and borrowing plans, competition from charter schools and pressured enrolment.

### RATING SENSITIVITIES

**CHANGE IN NEW YORK'S IDR:** The rating is sensitive to a change in the state's IDR, to which these bonds are linked.

**MATERIAL WEAKENING IN COVERAGE LEVELS:** The rating assumes continued strong coverage of debt service by interceptable state aid. A material decline in future coverage could pressure the rating.

### CREDIT PROFILE

The New York State legislature Chapter 58 Pt. A4 of the Laws of 2006 (the intercept act), authorized the bonds to encourage the city and district to renovate its public schools. Capital improvement spending under phase one totaled \$145 million. The second phase was authorized by the state legislature in 2013 and authorized up to \$300 million in additional capital improvements. The district's capital and financial plan for phase two is broken into two sets of projects; the first set has been approved by the New York State Dept. of Education and includes six projects with a seventh in the design phase. The district estimates its total capital improvement costs over all phases of its modernization efforts at approximately \$1.2 billion, the majority of which is expected to be financed under the current borrowing program.

The school district is governed by an independently elected board of education. The city of Syracuse (A/Stable) city council approves the district's budget and levies taxes on its behalf, but does not otherwise exercise direct control over the district.

## STRONG COVERAGE BY STATE AID

State aid is remitted monthly, but unevenly, to the district during the course of the fiscal year. Between Dec. 1 and March 31, the district's state-aid moneys are remitted to a state-aid depository fund held outside the district. Funds for the payment of upcoming debt service are set aside and the remaining funds are forwarded to the district to cover operations.

In the event the district fails to certify to the trustee by Nov. 10 that it has set aside sufficient moneys to cover upcoming debt service, the trustee will notify the state comptroller. The comptroller will intercept pending state aid receipts destined for the district and remit such moneys immediately (between Nov. 15 and April 30) to the trustee. The intercept mechanism ensures that the trustee has sufficient funds on hand to cover debt service well in advance of the payment dates.

Fitch's 'AA' rating is based on the intercept mechanism which, if triggered, would take into account senior claims. Approximately 55% of interceptable state aid - \$184 million out of \$332 million in total fiscal 2018 state aid - will be remitted during the collection period. Coverage during the collection period from state aid is strong at an estimated 10.4x MADS for fiscal 2018. Coverage from all state aid appropriated during the fiscal year is an estimated 18.7x MADS. When collection-period state aid is considered versus MADS for the bonds and the district's senior debt obligations combined, coverage is still robust at an estimated 6.3x MADS.

Future building modernization projects will in all likelihood be supported by state building aid, which has historically covered about 80% of project costs. If that continues to be the case, Fitch expects coverage of debt service by state aid to remain strong.

## SENIOR LIEN RISKS TO INTERCEPT COVERAGE

Interceptable aid could be diminished due to various senior and parity claims to the district's state aid for education, such as late charter school payments by the district that have a senior claim to state aid funds.

Furthermore, the district has approximately \$35 million of outstanding general obligation (GO) debt that is subject to a post-default state aid intercept; senior GO bond claims on state aid resources could marginally diminish coverage. The intercept of funds to cure a GO default is senior to the regular payments on the school facility revenue bonds. However, if the intercept for the revenue bonds is also triggered, the defaulted GOs and the rated bonds would become parity obligations under the intercept act. Fitch does not believe the lien provisions for competing state aid claims materially affect the strength of debt service coverage.

## RISK OF LATE STATE BUDGET MITIGATED BY COLLECTION PERIOD

Fitch believes that the timeframe of the collection period mitigates risks associated with the possibility of late state-budget adoption, as the state's fiscal year begins on April 1. The collection period does not begin until Dec. 1 - eight months into the state's fiscal year. In the past, the state was up to 4 1/2 months late in adopting a budget; however, recent budget adoption has been on time. Fitch believes the risk of potential delays in state aid payments during times of budgetary pressure is mitigated by high coverage levels.

## PRESSURED DISTRICT ENROLLMENT AND CHARTER SCHOOL COMPETITION

Fitch believes that declining student enrollment and increased charter school competition may have a modestly negative affect on future growth in state aid revenues. The district has experienced a nearly 5% enrollment decline since 2007, to an estimated 20,136 students in 2018. The district posted a small enrollment gain for fiscal 2018, which it attributes to an influx of refugee families.

Fitch believes that the sustainability of recent enrollment growth is uncertain given the 1.2% population decrease in Syracuse since the 2010 U.S. Census. In addition, future enrollment losses from continued charter school development - if such development occurs - could outweigh population gains over time.

Three charter schools currently operate within the district and educate about 1,800 pupils (approximately 9% of district and charter enrollees). In 2010 the state legislature increased the statewide number of charter schools permitted, which allowed two additional charters to receive state approval in 2016. One new charter school opened in 2017 and enrolls about 230 students. All charters receive formulaic per pupil aid that passes through the district. The district made \$19.7 million in charter school payments in fiscal 2017. Officials estimate fiscal 2018 charter school payments will increase to about \$24 million, up 22% from the prior year.

Despite pressure on enrollment, management anticipates that state aid will increase due to a growing need for increased ESL services. The district's five-year financial plan estimated that state aid for education would increase by 4.4% in fiscal 2018, followed by more modest increases through fiscal 2021. Fiscal 2018 state aid receipts have closely matched management's expectations. Fitch anticipates coverage levels to remain high due to planned new debt issuances that will likely be supported by further increases in interceptable state building aid.

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**Applicable Criteria**

U.S. Public Finance Tax-Supported Rating Criteria (pub. 31 May 2017) (<https://www.fitchratings.com/site/re/898466>)

**Additional Disclosures**

Dodd-Frank Rating Information Disclosure Form (<https://www.fitchratings.com/site/dodd-frank-disclosure/1034965>)

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# **RatingsDirect<sup>®</sup>**

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**Summary:**

## **Syracuse Industrial Development Agency, New York; Appropriations; General Obligation**

**Primary Credit Analyst:**

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### **Table Of Contents**

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Rationale

Outlook

## Summary:

# Syracuse Industrial Development Agency, New York; Appropriations; General Obligation

## Credit Profile

US\$65.675 mil sch facility rev bnds (Syracuse City Sch Dist Proj) ser 2018A due 05/01/2035

*Long Term Rating*

AA/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA' rating to the Syracuse Industrial Development Agency, N.Y.'s series 2018A school facility revenue refunding. At the same time, we affirmed our 'AA' rating on the agency's series 2010, 2011A, 2011B, and 2017A general obligation (GO) debt. The outlook for all issues is stable.

The rating reflects what we view as:

- The strength of the statutory direct-pay intercept of state aid for education by the New York state comptroller, which is structured to be sent directly to the bond trustee in advance of debt service due dates to pay debt service;
- A established funding structure that allows for the timely intercept of state aid and payment of principal and interest on the bonds outstanding even if the school district fails to appropriate funds;
- The state's consistent and strong oversight of school districts with a long history of state support, especially in distressed situations; and
- Strong maximum annual debt service (MADS) coverage.

We typically rate intercept or withholding programs that meet certain requirements at a level one notch off of our GO debt rating on the state--on par with the state appropriation rating--reflecting the appropriation nature of the intercept or withholding mechanism. Accordingly, if we change the state GO rating, we would likely change the program rating. In our view, programs such as the one in place for Syracuse City School District, that allow for the full and timely payment of debt service from state aid with strong state oversight, qualify for the enhanced rating. Bond proceeds will be used for financing a portion of the costs of Phase II of the school redevelopment program, which consist of design and/or reconstruction, construction, and rehabilitation of existing school buildings.

The New York State Legislature has authorized the bonds under the Syracuse Schools Act of 2006. Under the State Aid Depository Agreement, the City and the Syracuse City School District instructed the state comptroller to pay all state building aid and operating aid for Syracuse city school districts to the state aid depository fund held by the depository bank. Under the indenture, deposits of state aid to pay debt service begin on Dec. 1, with sufficient funds set aside by March 31 to pay principal and interest payments on the subsequent May 1 and Nov. 1. Amounts in the state aid depository fund will be transferred to the bond fund held by the bond trustee to pay scheduled debt service.

MADS on the agency's school program bonds, including series 2010, 2011A, 2011B, 2017A, and the new 2018A series, is \$17.76 million and due in 2022. In the fiscal year ended June 30, 2017, the Syracuse City School District estimates it

*Summary: Syracuse Industrial Development Agency, New York; Appropriations; General Obligation*

received \$318.8 million in total state aid, which is consistent with the high state aid provided in previous years. For the November through April period, the district received about \$181.6 million in state aid, with a strong 10.2x MADS coverage. Fiscal 2017's total state aid provided MADS coverage of 17.9x for the program. The debt is amortized through 2035.

The structure of the program, in which state aid in the current state fiscal year funds debt service payments for the subsequent year, and historically strong coverage, provide adequate protection against delayed passage of state budgets.

## Outlook

The stable outlook reflects the current outlook on the state of New York's GO debt and the strength of state appropriations for New York education. We would expect the rating to change if our rating on New York State's GO debt changes

### Ratings Detail (As Of January 12, 2018)

|  |                 |          |
|--|-----------------|----------|
| Syracuse Indl Dev Agy sch fac rev bnds (Syracuse City Sch Dist Proj) |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy sch fac rfdg rev bnds                          |                 |          |
| <i>Long Term Rating</i>  | AA/Stable       | Affirmed |
| Syracuse Indl Dev Agy GO (AGM)                                       |                 |          |
| <i>Unenhanced Rating</i>   | AA(SPUR)/Stable | Affirmed |
| Many issues are enhanced by bond insurance.                          |                 |          |

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.



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# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's assigns enhanced Aa2 to Syracuse I.D.A., NY's Rev bonds**

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Global Credit Research - 12 Jan 2018

New York, January 12, 2018 -- Moody's Investors Service has assigned a Aa2 enhanced rating to Syracuse City School District, NY's \$65.7 million School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A issued by the Syracuse Industrial Development Agency (NY).

#### RATINGS RATIONALE

The Aa2 enhanced rating is based on the New York Municipal School Aid Intercept Program which carries a Aa2 rating with a stable outlook. The program rating and outlook shadows the State of New York's long term rating of Aa1 stable. Additional consideration is given to an anticipated healthy coverage of maximum debt service from pledged revenues, given the district's high reliance on state operating aid.

#### RATING OUTLOOK

Given that no underlying rating was assigned, no outlook has been assigned.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

- Improvement in New York State's General Obligation rating

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

- Downgrade of the General Obligation rating of New York State
- Deteriorating coverage levels

#### LEGAL SECURITY

The bonds are special limited obligations of the Syracuse IDA secured by Installment purchase payments from the City of Syracuse CSD.

#### USE OF PROCEEDS

The proceeds from the Series 2018 bonds will be used to finance Phase II of the redevelopment program which consists of reconstruction, construction and rehabilitation of existing school buildings, and the acquisition of certain equipment.

#### PROFILE

The Syracuse City School District serves a student population of 19,951 in the City of Syracuse (A1 stable). The Syracuse IDA is governmental agency created by the state legislature authorized to issue the School Facility Revenue Bonds.

#### METHODOLOGY

The principal methodology used in this rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

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**CREDIT OPINION**

12 January 2018

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# Syracuse City School District, NY

## Update to credit analysis

**Summary**

The Syracuse IDA benefits from strong intercept mechanics as described in the New York Municipal School Aid Intercept Program. The school district benefits from high state aid providing strong coverage of debt service.

**Credit strengths**

- » Coverage during the interceptable period is strong
- » Moderate increases to state aid expected going forward

**Credit challenges**

- » State aid is subject to annual appropriation and delays

**Rating outlook**

Given that no underlying rating was assigned, no outlook has been assigned

**Factors that could lead to an upgrade**

- » Improvement in New York State's General Obligation rating.

**Factors that could lead to a downgrade**

- » Downgrade of the General Obligation rating of New York State
- » Deteriorating coverage levels

**Detailed credit considerations**
**State approved special legislation for overhaul of Syracuse CSD facilities**

In 2006, the state enabled a comprehensive redevelopment program for the CSD's construction of new schools and improvements to existing school facilities through the Syracuse Schools Act over a course of four phases expected to total nearly \$1 billion. Legislation authorizing Phase II of the Program at a cost not to exceed \$300 million was enacted on October 25, 2013.

**Financial Operations and Coverage: Strong coverage continues; School District obligated to make installment payments to IDA**

SIDA has no taxing authority and bondholder security is derived from an installment sale agreement between the CSD and SIDA under which the CSD will make annual payments equal to the annual debt service requirement. These payments are subject to annual

appropriation by the CSD (although state aid intercept mechanics offset the risk of non-appropriation as discussed above) and state aid pledged to the bonds is subject to annual appropriation by the state.

However, Moody's fully anticipates that state aid, which totaled \$318 million in fiscal 2017 compared to projected maximum annual debt service of \$8.5 million, will continue to be made given the fact that the CSD is the one of the largest school districts in New York State and relies on state aid for approximately 80% of its operating revenue.

State aid to the CSD continues to increase, and fiscal 2018 state aid is projected at \$332 million, providing strong provided ample coverage (39 times) of projected maximum annual debt service (MADS). Coverage during the four-month collection interceptable period was healthy at 21.7 times on a cash flow basis. Disbursements are subject to change and delay in the event of state cash flow limitations. However, Moody's believes that these coverage levels provide adequate cushion to mitigate any unforeseen pressure on the state budget. The July 15th state aid payment certificate can be modified subsequently in the event state cash flow disbursements are altered. Although there is no additional bonds test, given planned issuance only for projects approved for state building aid reimbursement (currently 98%), Moody's expects state aid would increase commensurate with additional issuance, and debt service coverage will remain strong. Projected total state aid for fiscal 2018 increases again to \$332 million total and \$184 million during the interceptable period.

#### **Strong Intercept Mechanics**

All state aid (state building and operating aid) will flow directly to the State Aid Depository Fund. Each July 15th, the CSD will provide to the trustee a "state aid payment certificate" which will delineate the percent of debt service to be deducted from state aid during the collection period (the aid-rich period between December 1st and March 31st, during which time approximately 60% of annual state aid is typically received). Excess aid will be forwarded to the CSD General Fund monthly after funding of the Bond Fund and any deficiencies in prior series' DSRFs. In the event state aid is insufficient to fund that month's deposit, the difference will be added to the following month's required segregation such that by March 31st, the May 1st principal and interest and the November 1st interest payments will be fully segregated.

#### **Debt and Legal Security**

Each issuance under this program is separately secured and enjoys a parity lien on state aid receipts of the district. As with past series, there is no additional bonds test.

Given the fact that this is an installment sale agreement between the SIDA and the CSD, and is supported predominantly by nonproperty tax sources, the debt is not legal indebtedness of the City of Syracuse (A1 Stable) and is not factored into its legal- and Moody's-calculated adjusted debt burden.

#### **COMPETING CLAIMS ON STATE AID REVENUE DON'T MATERIALLY DILUTE COVERAGE**

While competing claims on state aid exist, these will not materially dilute debt service coverage. Only Revenue Anticipation Notes (RANs) issued by the city on behalf of the CSD have a priority claim on state aid, which could dilute coverage in a worst case scenario, should a RAN borrowing require segregation as early as March. The city issues revenue anticipation notes each year on behalf of the CSD.

The city issued \$51.8 million in RANs on behalf of the CSD in October of 2017. The notes are payable on October 5, 2017. The city anticipates an additional cash flow borrowing on behalf of the CSD in the fall of 2018. Over the past five fiscal years, Syracuse has issued an average of \$53.6 million in RANs annually for the SCSD.

Declining enrollment or alteration of reimbursement rates and/or timing of payments by New York State could also cause coverage levels to fall. However, the CSD reports that general population declines are offset by growing enrollment of refugee students. Enrollment has grown from 19,713 in 2012 to 20,136 in 2018.

#### **DEBT-RELATED DERIVATIVES**

There is no exposure to debt-related derivatives.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for the most updated credit rating action information and rating history.

**Management and Governance**

Despite reductions in reliance on reserves and out-year budget gaps, city management will be challenged to achieve balance over the near-term.

New York School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New York School Districts operate within a state-imposed property tax cap, which limits their ability to increase their operating levy by the lesser of 2% or CPI. This cap cannot be overridden at the local level, but can be overridden with 60% voter approval. Unpredictable revenue fluctuations tend to be low, or less than 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. New York State has public sector unions and the additional constraint of the Triborough Amendment, which limits the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, or between 5-10% annually.





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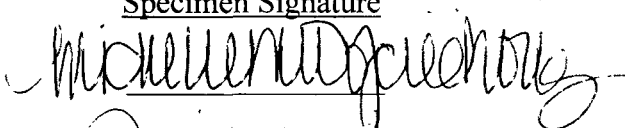
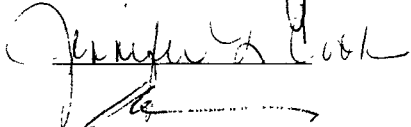
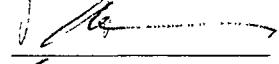
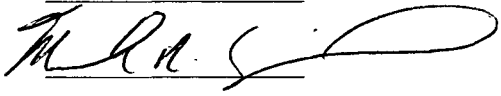
“To accept on behalf of M&T Bank any guardianship, receivership, executorship or any general or special trust specified in the Banking Law of the State of New York;

“To authenticate or certificate any bonds, debentures, notes, or other instruments issued under or in connection with any mortgage, deed of trust or other agreement or instrument under which M&T Bank is acting as trustee or in any other fiduciary capacity;


“To sign, execute and deliver certificates, reports, checks, orders, receipts, certificates of deposit, interim certificates, and other documents in connection with its duties and activities as registrar, transfer agent, disbursing agent, fiscal agent, depository, or in any other corporate fiduciary capacity.

“The powers and authority above conferred may at any time be modified, changed, extended or revoked, and may be conferred in whole or in part on other officers and employees by the Board of Directors or the Executive Committee.”

I further certify that the following persons are the duly elected, qualified, and acting incumbents of the offices set forth below, and that the signatures set forth opposite their names are their true and genuine signatures:

| <u>Name</u>               | <u>Title</u>             | <u>Specimen Signature</u>  |
|---------------------------|--------------------------|--|
| Michelle M. Wojciechowicz | Vice President           |    |
| Jennifer L. Cook          | Vice President           |   |
| Russell T. Whitley        | Assistant Vice President |   |
| Mark R. Campise           | Banking Officer          |  |

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ of March, 2018.

  
Aaron G. McManus  
Vice President

*New York State*  
*Department of Financial Services*

**I, YOLANDA FORD**, Deputy Superintendent, Community and Regional Banks, Banking Division, New York State Department of Financial Services, **DO HEREBY CERTIFY:**

**THAT**, the records in the Office of the Superintendent of Financial Services indicate that **MANUFACTURERS AND TRADERS TRUST COMPANY** is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

**THAT**, the Organization Certificate of **MANUFACTURERS AND TRADERS TRUST COMPANY** was filed in the Office of the Superintendent of Financial Services on September 13, 1892, under the title of **THE FIDELITY TRUST & GUARANTY COMPANY OF BUFFALO** and such corporation was authorized on June 27, 1893; and

**THAT**, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Financial Services as of the dates specified:

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **THE FIDELITY TRUST COMPANY OF BUFFALO** - filed March 13, 1901*

*Certificate of Amendment of the Certificate of Incorporation providing for a decrease in number of directors - filed January 4, 1912*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 17, 1918*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 30, 1919*

*Certificate of Extension of Existence changing existence to perpetual - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 15, 1925*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed December 15, 1925*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed May 14, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed May 16, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS' & TRADERS' - PEOPLES TRUST COMPANY** - filed May 16, 1927*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed July 18, 1928*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 10, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 17, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **M & T TRUST COMPANY** - filed October 22, 1929*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed February 10, 1930*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed January 30, 1933*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of the Certificate of Incorporation providing for a reduction in capital stock - filed January 9, 1934*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed June 11, 1934*

*Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed January 16, 1941*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 21, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 18, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 27, 1945*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed April 27, 1946*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 29, 1946*

*Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed November 30, 1949*

*Certificate of Amendment of the Certificate of Incorporation providing for a change of purposes, powers and provisions of the Corporate Charter - filed January 13, 1950; and*

***THAT***, a Restated Organization Certificate was approved and filed in the Office of the Superintendent of Financial Services on August 6, 1954; and

***THAT***, the following amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Financial Services as of the dates specified:

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 8, 1955*

*New York State*  
*Department of Financial Services*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 31, 1955*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed March 7, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 23, 1956*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 30, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 29, 1957*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1958*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed December 2, 1958*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 19, 1959*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed June 30, 1959*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1960*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed February 29, 1960*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1961*



*New York State*  
*Department of Financial Services*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1963*

*Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 17, 1964*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed January 14, 1965*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 16, 1966*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 4, 1971*

*Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 20, 1984; and*

*THAT, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Financial Services on February 26, 1991; and*

*THAT, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Financial Services on May 22, 1992; and*

*THAT, a Restated Organization Certificate was filed in the Office of the Superintendent of Financial Services on April 1, 2003; and*

*THAT, a Restated Organization Certificate providing for **MANUFACTURERS AND TRADERS TRUST COMPANY** to also be known as **M&T BANK** was filed in the Office of the Superintendent of Financial Services on September 9, 2004; and*

*THAT, a Restated Organization Certificate was filed in the Office of the Superintendent of Financial Services on March 17, 2011; and*

*THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Financial Services except those set forth above; and*

*New York State*  
*Department of Financial Services*

**I DO FURTHER CERTIFY THAT, MANUFACTURERS AND TRADERS TRUST COMPANY** is validly existing as a banking organization with its principal office and place of business located at **One M & T Plaza, Buffalo, New York.**

**WITNESS**, my hand and official seal of the Department of Financial Services at the City of New York, this **2<sup>nd</sup>** day of **March** in the Year **two thousand and eighteen.**

  
\_\_\_\_\_  
**Deputy Superintendent**  
**Community and Regional Banks**

**TRUSTEE'S REPRESENTATIONS AS F.A.S.T. AGENT AND**  
**RECEIPT FOR BONDS**


The undersigned hereby confirms that it has accepted the duties and obligations of F.A.S.T. Agent to The Depository Trust Company ("**DTC**"), New York, New York, in connection with the \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A (the "**Series 2018A Bonds**") of the City of Syracuse Industrial Development Agency.

Pursuant to a Transfer Agent F.A.S.T. Agreement (No. 2805) with DTC, we are qualified to act in such capacity.

We hereby acknowledge receipt of the Series 2018A Bonds in the aggregate principal amount of \$67,265,000.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as F.A.S.T. Agent

By: \_\_\_\_\_

  
Russell T. Whitley  
Assistant Vice President

Dated: March 15, 2018

Kristen E. Smith  
Corporation Counsel

Joseph W. Barry, III  
First Assistant Corporation Counsel



Catherine E. Carnrike  
Thomas R. Babilon  
Meghan E. Ryan  
Amanda R. Harrington  
John C. Black, Jr.  
Christina F. DeJoseph  
Kathryn M. Ryan  
Ramona L. Rabeler  
Erica T. Clarke  
Todd M. Long  
Khalid Bashjawish  
H. J. Hubert  
Mary L. D'Agostino

OFFICE OF THE CORPORATION COUNSEL

BEN WALSH, MAYOR

March 15, 2018

City of Syracuse Industrial  
Development Agency  
Syracuse, New York

City School District of the  
City of Syracuse  
Syracuse, New York

Barclay Damon, LLP  
Syracuse, New York

Raymond James & Associates, Inc.,  
as representative of the underwriters  
New York, New York

City of Syracuse,  
Syracuse, New York

Manufacturers and Traders Trust Company,  
as Trustee and Depository Bank  
Buffalo, New York

Syracuse Joint Schools Construction Board  
Syracuse, New York

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

We have acted as counsel to the City of Syracuse Industrial Development Agency (the "**Agency**"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York, in connection with (a) the issuance and sale by the Agency of its School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A in the aggregate principal amount of \$67,265,000 (the "**Series 2018A Bonds**"), as described and contemplated by the Bond Purchase Agreement, dated March 2, 2018 (the "**Purchase Contract**"), among the Agency, Raymond James & Associates, Inc., as representatives of the underwriters (the "**Underwriter**") and the Syracuse Joint Schools Construction Board (the "**JSCB**"), on behalf of itself, the City School District of the City of Syracuse (the "**SCSD**") and the City of Syracuse (the "**City**"); and (b) in connection therewith, the preparation and/or execution and delivery by the Agency of the following:

(A) the resolution adopted by the members of the Agency on January 16, 2018 (the "**Bond Resolution**"), authorizing the Series 2018A Bonds for the purpose of funding for the benefit of phase II of a certain project (the "**Series 2018A Project**") consisting of: (A)(i) the

233 E. WASHINGTON ST. • 300 CITY HALL • SYRACUSE, N.Y. 13202  
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acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “**Buildings**”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the “**Equipment**” and together with the Buildings, the “**Facilities**”) necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency’s School Facility Revenue Bonds (Syracuse City School District Project-Series 2018A Project) in an aggregate principal amount of up to \$82,000,000 (the “**Series 2018A Bonds**”).

(B) the Series 2018A Bonds;

(C) a certain Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, among the Agency, the City and the SCSD (the “**Fourth Amendatory License**”), amendatory of a License Agreement (Series 2008 Project), dated as of March 1, 2008, among the City, the SCSD and the Agency (the “**Original License**”), as amended by the First Amendatory License Agreement (Series 2010 Project), dated as of December 1, 2010 (the “**First Amendatory License**”), and as further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the “**Second Amendatory License Agreement**”), as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017, (the “**Third Amendatory License Agreement**” and together with Original License, the First Amendatory License and the Second Amendatory License, the “**License**”).

(D) a certain Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, (the “**Fifth Amended Agreement**”), amendatory of a certain Installment Sale Agreement (Series 2008A Project), dated as of March 1, 2008 (the “**Original Agreement**”) previously amended by Amendment No. 1 to Agreement dated as of July 1, 2009 (the “**First Amended Agreement**”) and by Amendment No. 2 to Agreement dated as of December 1, 2010 (the “**Second Amended Agreement**”) and by Amendment No. 3 dated as of July 1, 2011 (the “**Third Amended Agreement**”) and by Amendment No. 4 to Agreement dated as of April 1, 2017 (the “**Fourth Amended Agreement**” and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fifth Amended Agreement the “**Installment Sale Agreement**” as same may further be amended or supplemented), each between the Agency, the City, the JSCB and the SCSD.

(E) an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “**2018A Indenture**”), between the Agency and Manufacturers and Traders Trust Company, as trustee (the “**Trustee**”);

(F) a Pledge and Assignment, dated as of March 1, 2018 (the “**Pledge and Assignment**”), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

(G) a Tax Certificate, dated the Closing of the Bonds (the “**Tax Certificate**”) executed by the Agency;

(H) the Purchase Contract;

(I) a Preliminary Official Statement, dated February 23, 2018 (the “**Preliminary Official Statement**”), and Official Statement, dated March 2, 2018 (the “**Official Statement**”), executed by the Agency, the SCSD and the City, each relating to the Series 2018A Bonds;

The Series 2018A Bonds, the License, the Installment Sale Agreement, the Indenture, the Pledge and Assignment, the Tax Certificates, the Purchase Contract, the Preliminary Official Statement and the Official Statement are collectively referred to as the “**Agency Documents**.”

Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

We have, as counsel to the Agency, examined original or certified copies of the proceedings of the Agency taken with respect to the Agency Documents, as well as certificates of the Agency's members, a certified copy of the Bond Resolution, specimen bonds and executed counterparts of the Agency Documents. We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinions.

In our examination, we have assumed the genuineness of all signatures (other than those of the Agency), the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Agency have been duly executed and delivered by said other person or persons and that said documents, to the extent they create obligations, constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon our examination of the foregoing, and in reliance upon the matters and subject to the limitations contained in the concluding paragraphs of this opinion, we are of the opinion (except that no opinion is given with respect to any federal or state securities law or any law concerning zoning or subdivision matters or as to the law of any jurisdiction other than the State of New York) that:

1. The Agency is a corporate governmental agency constituting a public benefit corporation duly established and validly existing under Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended, and Chapter 641 of the Laws of 1979 of the State, as amended (collectively, the “**Act**”).

2. Under the Act, it is the purpose of the Agency to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing, among others, industrial, manufacturing, warehousing, commercial and research

facilities, and the Agency has the power to acquire, hold and dispose of real and personal property for its corporate purposes. Under Chapter 5 Part A-4 of the Laws of 2006 of the State (the “*Syracuse Schools Act*”), the Series 2018A Project undertaken pursuant to the Syracuse Schools Act constitutes a qualified “project” under the Act, which the Agency may finance and in which it may have a license interest. In accordance with the Act, the Agency has determined to issue its Bonds pursuant to the Indenture.

3. The members and officers of the Agency identified in the Agency's general certificate delivered on this date to the Trustee have been duly appointed as such members (and/or duly elected by the members as such officers) and, to the best of our knowledge, are qualified to serve as such.

4. The Agency has power and lawful authority under the Act to execute and deliver the Agency Documents; to issue its Bonds and appoint the JSCB as its agent to complete the Series 2018A Project; to sell its interest in and to the Facilities to the City and the SCSD pursuant to the Installment Sale Agreement; and to perform and observe the provisions of the Agency Documents and the Bonds on its part to be performed and observed.

5. The Bond Resolution has been duly adopted by the members of the Agency, complies with the procedural rules of the Agency and the requirements of the laws of New York, and the Bond Resolution has not been supplemented, amended, or repealed and remains in full force and effect on the date hereof.

6. By the Bond Resolution, the Agency has duly authorized the issuance of the Bonds and the execution and delivery of the Agency Documents.

7. The Agency has the right and power to execute and deliver the Agency Documents, each of which (other than the Preliminary Official Statement) has been duly authorized, executed and delivered by or on behalf of the Agency, is in full force and effect, and (other than the Preliminary Official Statement and the Final Official Statement) is a legal, valid and binding obligation of the Agency and is enforceable against the Agency in accordance with its terms.

8. The making and performance by the Agency of the Agency Documents and the consummation of the transactions on the part of the Agency therein contemplated will not violate any applicable provision of the Act or any other law, regulation, decree, writ, order or injunction applicable to the Agency, and will not contravene the provisions of or constitute a default under any material term of any agreement, indenture, or other instrument to which the Agency is a party or by which the Agency is bound.

9. No additional or further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body not already obtained is required for the making and performance by the Agency of the Agency Documents or for the performance by the Agency of the transactions contemplated thereby.

10. There is no action, suit, proceeding or investigation at law or in equity by or before any court, public board or body pending, or, to the best of our knowledge, threatened against or affecting the Agency, wherein an unfavorable decision, ruling or finding would affect

the transactions contemplated by the Agency Documents or the validity or the enforceability of any of the Agency Documents.

11. No legislation has been enacted by the Legislature of the State of New York which in any way adversely affects the issuance or delivery of the Series 2018A Bonds or the payment, collection or application of the proceeds thereof or the moneys and securities pledged or to be pledged under the Indenture, or the creation, organization or existence of the Agency or the title to office of any officers thereof, or the power of the Agency to acquire a license interest in, reconstruct, rehabilitate, equip, install, sell or assign the Facilities referred to in the Indenture.

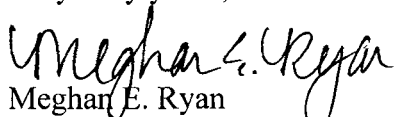
12. We have no reason to believe and nothing has come to our attention that would lead us to believe that, as of the date of the Final Official Statement and as of the date hereof, the information contained in the Final Official Statement under the headings "THE ISSUER" and "NO LITIGATION" (but only with regard to the Agency) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

We express no opinion with respect to: (A) title to all or any portion of the Facilities, (B) the priority of any liens, charges, security interests or encumbrances affecting the Facilities or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Facilities, or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to the requirement of filing or recording of any of the Agency Documents, or (D) the laws of any jurisdiction other than the State of New York and the United States of America.

This opinion is rendered as of the date hereof, and no opinion is expressed as to matters referred to herein on any subsequent date.

Very truly yours,

  
Meghan E. Ryan  
Assistant Corporation Counsel



Kristen E. Smith  
Corporation Counsel

Joseph W. Barry, III  
First Assistant Corporation Counsel



Catherine E. Carnrike  
Thomas R. Babilon  
Meghan E. Ryan  
Amanda R. Harrington  
John C. Black, Jr.  
Christina F. DeJoseph  
Kathryn M. Ryan  
Ramona L. Rabeler  
Erica T. Clarke  
Todd M. Long  
Khalid Bashjawish  
H. J. Hubert  
Mary L. D'Agostino

OFFICE OF THE CORPORATION COUNSEL

BEN WALSH, MAYOR

March 15, 2018

To: City of Syracuse Industrial Development Agency

Manufacturers and Traders Trust Company,  
as Trustee and Depository Bank

Barclay Damon, LLP

Raymond James & Associates, Inc., as Representative of the Underwriters

City School District of the City of Syracuse

City of Syracuse

Syracuse Joint Schools Construction Board

**Re: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A**

Ladies and Gentlemen:

I am Corporation Counsel of the City of Syracuse ("the City") and I serve as counsel to the City and to the City School District of the City of Syracuse ("the SCSD").

In connection with the above-entitled issuance and sale by the City of Syracuse Industrial Development Agency ("SIDA") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "Series 2018A Bonds"), I have been requested to state my opinion as to certain matters referred to below. For that purpose I have reviewed the following documents (documents 1 through 11 below being referred to as the "SCSD Documents"; and each of documents listed below executed by the City collectively being referred to as "the City Documents"; and documents 1 through 12 below being referred to as the "Project Documents").

1. The Preliminary Official Statement, dated February 23, 2018 (the "Preliminary Official Statement"), and the final Official Statement dated March 2, 2018 with respect to the offering and sale of the Series 2018A Bonds (to be executed by SIDA, the SCSD and the City) (the "Official Statement").

2. The Purchase Contract, dated March 2, 2018, relating to the sale of the Series 2018A Bonds among the Syracuse Joint Schools Construction Board (the "JSCB"), on behalf of itself, the SCSD and the City, SIDA and Raymond James & Associates, Inc., as Representative of the Underwriters named therein (the "Purchase Contract").

3. The Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018 between the City and the SCSD, as Lessors, and SIDA, as Lessee, (the "License Agreement").

4. The Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1, dated as of July 1, 2009, and as further amended by Amendment No. 2 to the Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010, Amendment No. 3 to the Installment Sale Agreement (Series 2011 Project), dated as of July 1, 2011, Amendment No. 4 to the Installment Sale Agreement (Series 2017 Project), dated as of April 1, 2017, and Amendment No. 5 to the Installment Sale Agreement (Series 2018A Project), dated as of March 1, 2018, and among SIDA, the SCSD, the City and the JSCB (the "Installment Sale Agreement").

5. The Pledge and Assignment, dated as of March 1, 2018 (the "***Pledge and Assignment***"), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

6. The Continuing Disclosure Agreement among the City, the JSCB, the SCSD, and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), dated as of March 1, 2018, for the Series 2018A Bonds.

7. The State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the "State Aid Depository Agreement") among the SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank.

8. The Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011, and as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018, from the SCSD and the City to SIDA.

9. Letter of Instruction dated as March 12, 2008, from the Commissioner of Finance of the City and the SCSD to the State Comptroller in relation to payment of State Aid to Education to the Depository Bank.

10. The Arbitrage and Use of Proceeds Certificate from the SCSD, the City and the JSCB, dated the date hereof.

11. The Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “Indenture”) between SIDA and Manufacturers and Traders Trust Company, as trustee (the “Trustee”).

In rendering this opinion, I have also reviewed: (a) Chapter 58, Part A-4 of the Laws of 2006 of the State of New York, as amended (“the Syracuse Schools Act”); (b) Ordinance No. 831-2017 of the Common Council of the City of Syracuse adopted on October 10, 2017; (c) Resolution #0917-047 of the Board of Education adopted on September 27, 2017, authorizing the SCSD Documents; and (d) Resolution No. 133 of 2017 adopted by the JSCB on September 28, 2017 (items (b), (c) and (d) being collectively referred to hereinafter as the “Approving Resolutions.”).

In rendering this opinion, I have further reviewed and relied upon a certificate of the President of the Board of Education and Superintendent of the SCSD, in respect to compliance by the SCSD with the requirements of the New York Education Law and the regulations of the New York Department of Education for state building aid and operating aid to the SCSD.

All capitalized terms used in this opinion and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

Subject to the foregoing, it is my opinion that:

1. The SCSD is a duly organized and validly existing school district of the State of New York, and has all requisite power and authority to conduct its business as described in the Official Statement, the Purchase Contract and the other SCSD Documents, and to consummate the transactions contemplated by the SCSD Documents and the other Project Documents, and to execute, deliver and perform its obligations under the SCSD Documents.

2. The City is a duly organized and validly existing municipal corporation of the State of New York, and has all requisite power and authority to conduct its business as described in the Official Statement and the City Documents, and to consummate the transactions contemplated by the City Documents and the other Project Documents, and to execute, deliver and perform its obligations under the City Documents.

3. Each of the SCSD Documents and the City Documents conform in all material respects to the descriptions thereof contained in the Official Statement.

4. Each of the SCSD Documents has been duly authorized, executed and delivered by the SCSD. Assuming the due and valid execution and delivery of the SCSD Documents by the other parties thereto (other than the City), each of the SCSD Documents is the legal, valid and binding obligation of the SCSD, enforceable against the SCSD in accordance with its terms, except to the extent that the enforceability thereof may be limited or otherwise affected by (A) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors’ rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any

particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith. Each of the City Documents has been duly authorized, executed and delivered by the City. Assuming the due and valid execution and delivery of the City Documents by the other parties thereto (other than the SCSD), each of the City Documents is the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that the enforceability thereof may be limited or otherwise affected by (A) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

5. Each of the Approving Resolutions was duly adopted by the Common Council of the City, the Board of Education of the SCSD or the JSCB, as appropriate.

6. No event of default or event which, with notice or lapse of time or both, would constitute an event of default or a default under any of the SCSD Documents or City Documents has occurred and is continuing.

7. The Series 2018A Project, as described in the Official Statement, constitutes "educational facilities" of the SCSD and a "project" in compliance with the Syracuse Schools Act.

8. Based upon the above-mentioned officer certificate of the SCSD, and to the best of my knowledge after due and diligent inquiry, the SCSD is in compliance with the material rules, regulations and other requirements of the State Education Department in connection with State Aid to Education revenues to the SCSD and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such requirements, such that State Aid to Education revenues could be impaired.

9. The execution and delivery of the SCSD Documents by the SCSD and the consummation of the transactions therein contemplated and compliance with the provisions thereof (i) do not constitute a violation of any provision of law, any order, regulation or decree of any court or agency of government, indenture, mortgage, deed, trust agreement or other instrument known to me after due inquiry to which the SCSD is a party or any of its respective property is subject or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument.

10. The execution and delivery of the City Documents by the City and the consummation of the transactions therein contemplated and compliance with the provisions thereof (i) do not constitute a violation of any provision of law, any order, regulation or decree of any court or agency of government, indenture, mortgage, deed, trust agreement or other instrument known to me after due inquiry to which the City is a party or any of its respective

property is subject or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument.

11. The SCSD has duly authorized the taking of any and all action necessary at the date hereof to carry out and give effect to the transactions contemplated to be performed on its part by the SCSD Documents as of the date of this letter.

12. The City has duly authorized the taking of any and all action necessary at the date hereof to carry out and give effect to the transactions contemplated to be performed on its part by the City Documents as of the date of this letter.

13. To my best knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity with respect to the SCSD by or before any court, public board or body, pending or threatened against or affecting the SCSD, wherein an unfavorable decision, ruling or finding on an issue raised by a party thereto would materially adversely affect (i) the transactions contemplated by, or the validity or enforceability of, any of the Project Documents, or (ii) except as is set forth in the Official Statement, the financial condition of the SCSD.

14. To my best knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity with respect to the City by or before any court, public board or body, pending or threatened against or affecting the City, wherein an unfavorable decision, ruling or finding on an issue raised by a party thereto would materially adversely affect (i) the transactions contemplated by, or the validity or enforceability of, any of the Project Documents, or (ii) except as is set forth in the Official Statement, the financial condition of the City.

15. All consents, approvals, confirmations or authorizations, if any, of any governmental authority required on the part of the SCSD in connection with the execution and delivery by the SCSD of the SCSD Documents have been duly obtained.

16. All consents, approvals, confirmations or authorizations, if any, of any governmental authority required on the part of the City in connection with the execution and delivery by the City of the City Documents have been duly obtained.

17. I have reviewed the information in the Official Statement and I have no reason to believe and nothing has come to my attention which leads me to believe that the information contained under the headings "INTRODUCTION," "THE PROGRAM," "PROGRAM PARTICIPANTS," and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS," and the information with respect to the SCSD and the City under the caption "NO LITIGATION" contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. I am not called upon to confirm and do not express any opinion as to the accuracy of any other matters in the Official Statement, including without limitation the financial information and other matters included in Appendix A to the Official

Statement, and any other financial, technical or statistical data included in the Official Statement or any Appendix thereto.

18. The Syracuse Schools Act is in full force and effect, is enforceable as to the Series 2018A Project (as defined in the Official Statement), and has not been amended, modified, repealed or rescinded.

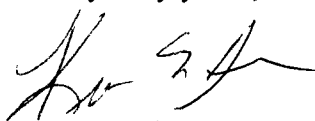
19. The above-cited ordinance adopted by the Common Council of the City and approved by the Mayor has been duly and validly authorized by the Common Council and is binding on the City, is in full force and effect, and has not been amended, modified, repealed or rescinded.

20. The above-cited resolution adopted by the Board of Education has been duly and validly authorized by the Board of Education and is binding on the SCSD, is in full force and effect, and has not been amended, modified, repealed or rescinded.

21. Pursuant to the Fourth Amendatory License Agreement (Series 2018A Project), dated as of March 1, 2018, the City and the SCSD have vested SIDA with a valid licensed interest in the Facilities.

Only the parties to whom this opinion is addressed and their counsel may rely on this opinion. This opinion speaks only as of the date hereof and is limited to present laws and regulations and the facts as they currently exist and have been represented to me. I assume no obligation to revise, update or supplement this opinion.

Very truly yours,

A handwritten signature in black ink, appearing to be 'K. S. J.', written over a horizontal line.

Corporation Counsel



TRESPASZ & MARQUARDT, LLP  
ATTORNEYS AND COUNSELORS AT LAW

March 15, 2018

Syracuse Industrial Development Agency

Manufacturers and Traders Trust Company,  
as Trustee and Depository Bank

Barclay Damon, LLP

Raymond James & Associates, Inc., as Representative of the Underwriters

City School District of the City of Syracuse  
City of Syracuse

Re: \$67,265,000  
City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

We have acted as counsel to the Joint Schools Construction Board (“JSCB”) in relation to the above-entitled financing for the purpose of (i) financing a portion of the costs of the Series 2018A Project; (ii) refinancing at maturity on March 15, 2018 a \$7,417,430 portion of the City’s \$29.8 million principal amount of outstanding bond anticipation notes which were issued to provide initial funding of the Series 2018A Project; (iii) funding capitalized interest for the Series 2018A Project; and (iv) financing certain costs of issuance of the Series 2018A Bonds (collectively, the “Series 2018A Project”) for a comprehensive program (“the Program”) for the development of the educational facilities of the Syracuse City School District (“the SCSD”). In that capacity, we have been requested to state our opinion as to certain matters referred to below. In the course of our representation of the JSCB, we have made all necessary inquiries of representatives of JSCB authorized to make representations on behalf of the SCSD and the City of Syracuse (the “City”), and having knowledge of the Series 2018A Project and the transaction contemplated by the following documents. For that purpose, we have reviewed the following documents to which the JSCB is a party:

(a) The Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, as amended by Amendment No. 1, dated as of July 1, 2009, and as further amended by Amendment No. 2 to Installment Sale Agreement (Series 2010 Project), dated as of December 1, 2010 and by Amendment No. 3 to Installment Sale Agreement (Series 2011 Project), dated as July 1, 2011 and by Amendment No. 4 to Installment Sale Agreement (Series 2017 Project), dated as

April 1, 2017 and by Amendment No. 5 to Installment Sale Agreement (Series 2018A Project), dated as March 1, 2018 (collectively, the “Installment Sale Agreement”), among Syracuse Industrial Development Agency (“SIDA”) and the City, the SCSD and the JSCB.

(b) The Pledge and Assignment, dated as of March 1, 2018 (the "*Pledge and Assignment*"), by the Agency in favor of the Trustee acknowledged by the City, the SCSD and the JSCB;

(c) The State Aid Depository Agreement, dated as of March 1, 2008, as amended by First Amendment to State Aid Depository Agreement, dated as of December 1, 2010 (the “State Aid Depository Agreement”), among the SCSD, Manufacturers and Traders Trust Company, as “Trustee”), Manufactures and Traders Trust Company, as depository, the City and the JSCB.

(d) The resolution of the JSCB authorizing the execution, delivery and performance of the Bond Documents and directing that its authorized officer do and cause to be done any such other acts and things as he or she determines may be necessary or desirable to consummate the transactions contemplated by the bond documents, including determining that the cost to the taxpayers of the City of Syracuse and State of New York of the above-entitled financing through SIDA is less than the cost would be if the financing of the Project were effected by the New York State Municipal Bond Bank Agency.

(e) The Tax Certificate.

(f) The Purchase Contract, dated March 2, 2018 among Raymond James & Associates, as Representative of the Underwriters (the “Underwriters”), and the JSCB, on behalf of itself, the City and the SCSD, and SIDA (the “Purchase Contract”).

(g) The Continuing Disclosure Agreement, dated as of March 1, 2018, between the JSCB, on behalf of the City and the SCSD, and the Trustee (the “Continuing Disclosure Agreement”).

(h) The Preliminary Official Statement, dated February 23, 2018 (the “Preliminary Official Statement”), and the final Official Statement dated March 2, 2018 with respect to the offering and sale of the Series 2018A Bonds (to be executed by SIDA and the JSCB (the “Official Statement”).

(i) The Syracuse Joint School Construction Agreement, dated as of April 1, 2004 (the “JSCB Agreement”), between the City and the SCSD.





(j) The Indenture of Trust (Series 2018A Project), dated as of March 1, 2018 (the “Indenture”) between SIDA and Manufacturers and Traders Trust Company, as trustee (the “Trustee”).

(k) The Environmental Compliance and Indemnification Agreement, dated as of March 1, 2008, as amended by the First Supplemental Environmental Compliance and Indemnification Agreement, dated as of December 1, 2010, and as further amended by the Second Supplemental Environmental Compliance and Indemnification Agreement, dated as of July 1, 2011, and as further amended by the Third Supplemental Environmental Compliance and Indemnification Agreement, dated as of March 1, 2018 from the SCSD and the City to SIDA.

The JSCB is an inter-municipal board created by an ordinance of the City to assist in the planning and development of the Program. It has been assigned additional functions by Chapter 58, part 4-A of the Laws of 2006 of the State of New York, as amended (the “Syracuse Schools Act”).

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

Subject to the foregoing, it is our opinion that:

1. The JSCB is a validly existing inter-municipal board and has all requisite power and authority to adopt the Resolution and to execute, deliver and perform its obligations under the JSCB Documents.

2. The Resolution was duly adopted by the JSCB at a meeting held on September 27, 2017.

3. The Installment Sale Agreement, the Tax Certificate, the Purchase Contract and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by the JSCB. Assuming the due and valid execution and delivery by the other parties thereto, and assuming each to be a legal, valid and binding obligation of the SCSD (as to which we refer you to the opinion of the Corporation Counsel of the SCSD, and express no independent opinion), each of the Installment Sale Agreement, the Continuing Disclosure Agreement, the Tax Certificate Agreement and the Purchase Contract are the legal, valid and binding obligations of the JSCB, enforceable against the JSCB in accordance with their respective terms.



4. The Series 2018A Project is not within the type of actions or classes of actions identified by the New York State Department of Environmental Conservation under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law, which will in almost every instance have a significant effect on the environment and are therefore likely to require the preparation of environmental impact statements.

We express no opinion with respect to the effect of any law other than the law of the State of New York.

This opinion letter has been prepared, and is intended to be construed, in accordance with the customary practice of lawyers who regularly give, and lawyers who regularly advise opinion recipients concerning, opinions of the type contained herein.

Only the parties to whom this opinion is addressed and their counsel may rely on this opinion. This opinion speaks only as of the date hereof and is limited to present laws and regulations and the facts as they currently exist and have been represented to us. We assume no obligation to revise, update or supplement this opinion.

Yours very truly,

TRESPASZ & MARQUARDT, LLP  
*Trespasz & Marquardt, LLP*





TURNER CONSTRUCTION COMPANY  
375 Hudson Street, 6<sup>th</sup> Floor  
New York, NY 10014  
phone: 212.229.6000

March 13, 2018

City of Syracuse Industrial Development Agency  
Syracuse, NY

Manufacturers and Traders Trust Company  
as Trustee  
Buffalo, NY

Syracuse City School District  
Syracuse, NY

Syracuse Joint Schools Construction Board  
Syracuse, NY

City of Syracuse  
Syracuse, NY

Barclay Damon LLP  
New York, NY

Raymond James & Associates, Inc.  
as Representative of the Underwriters  
New York, NY

Re: \$67,120,000  
City of Syracuse Industrial Development Agency School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

Ladies and Gentlemen:

I am an in-house senior counsel with the Legal Department of Turner Construction Company (the "Company") and assisted the Company regarding the execution and delivery by the Company of a Program Manager Agreement, dated August 28, 2015, between the Syracuse Joint Schools Construction Board ("JSCB") and the Company (the "Program Manager Agreement").

This letter is being delivered to you at your request.



TURNER CONSTRUCTION COMPANY  
375 Hudson Street, 6<sup>th</sup> Floor  
New York, NY 10014  
phone: 212.229.6000

The opinions and confirmations set forth in this letter, whether or not qualified by the phrase "to our knowledge," are subject to the following qualifications:

1. The opinions and confirmations set forth in this letter are based solely upon (a) our review of, as submitted to us, (i) the Program Manager Agreement, (ii) the Certificate of Incorporation, Authority to Do Business, and the By-Laws of the Company, (iii) evidence of incumbency of officers and directors of the Company, and (iv) evidence of the corporate proceedings of the Company relating to the transactions contemplated by the Program Manager Agreement (items (a)(i) through (a)(iv) being collectively the "Reviewed Documents"), (b) the actual knowledge of those of our present employees who have had primary responsibility for reviewing and negotiating the Program Manager Agreement on behalf of the Company (collectively the "Attorney Information"), and (c) such review of published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents, and the Attorney Information. Other than our review of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (a) any of the files and other records of the Company or any court or other governmental authority or (b) any of our files).

2. We do not express any opinion concerning any law other than the Business Corporation Law of the State of New York and the federal law of the United States.

3. The enforceability of the Program Manager Agreement against the Company may be limited or otherwise affected by (a) any bankruptcy, insolvency, reorganization, receivership, moratorium, marshaling, arrangement, assignment for benefit of creditors, fraudulent transfer, fraudulent conveyance or other statute, rule, regulation or other law affecting the rights and remedies of creditors generally, and (b) any general principle of equity, whether applied by a court of law or equity, (including, but not limited to, any principle (i) governing the availability of specific performance, injunctive relief or any other equitable remedy that is subject to the discretion of a court, (ii) affording any equitable defense, (iii) requiring good faith, fair dealing and reasonableness in the performance and enforcement of a contract by a party seeking the enforcement of such contract, (iv) requiring consideration of the materiality of a breach of a contract by a party against whom or which the enforcement of such contract is sought and consideration of the consequences of such breach to a party seeking such enforcement, (v) requiring consideration at the time the enforcement of a contract is attempted of the impracticality or impossibility of the performance of such contract or affording any defense to the enforcement of a contract based upon the unconscionability of the conduct after such contract has been entered into of a party seeking such enforcement).

Subject to the qualifications set forth in this letter, it is our opinion that:

1. The Company is a corporation validly existing under the Law of the State of New York.



TURNER CONSTRUCTION COMPANY  
375 Hudson Street, 6<sup>th</sup> Floor  
New York, NY 10014  
phone: 212.229.6000

2. The Company has the corporate power under the Business Corporation Law of the State of New York and the Certificate of Incorporation and the By-Laws of the Company to execute, deliver and perform the Program Manager Agreement.

3. The execution, delivery and performance by the Company of the Program Manager Agreement has been duly authorized by all corporate action of the Company necessary under the General Corporation Law of the State of New York and the Certificate of Incorporation and the By-Laws of the Company.

4. The Program Manager Agreement has been duly executed and delivered by the Company.

5. The Program Manager Agreement is enforceable against the Company.

6. The execution, delivery and performance by the Company of the Program Manager Agreement does not (a) violate the Certificate of Incorporation or the By-Laws of the Company or (b) assuming the non-existence of any judgment, decree or order of any court or other governmental authority that would be violated by such execution, delivery and performance, (i) violate the General Corporation Law of the State of New York, or any United States federal statute, rule or regulation, that in our experience is normally applicable to transactions of the type contemplated by the Program Manager Agreement, (ii) require under the Business Corporation Law of the State of New York, or any such federal statute, rule or regulation as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any court or other governmental authority of the State of New York or any United States federal court or other United States federal governmental authority or (iii) to our knowledge, require as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any non-governmental entity.

7. The Company is (a) in good standing in the State of New York and (b) authorized to do business as a foreign corporation in the State of New York.

8. To our knowledge, there is not pending against the Company before any court or other governmental authority or arbitrator or overtly threatened against the Company any action or proceeding that seeks to render the Program Manager Agreement invalid or unenforceable or that would materially adversely affect the ability of the Company to perform its obligations thereunder, including, to the extent applicable, the design, equipping, reconstruction and the construction of the Series 2018A Project.



TURNER CONSTRUCTION COMPANY  
375 Hudson Street, 6<sup>th</sup> Floor  
New York, NY 10014  
phone: 212.229 6000

9. To our knowledge, there is no judgment, decree or order of any court or other governmental authority that names the Company and either renders the Program Manager Agreement invalid or unenforceable or would be violated by the execution, delivery and performance by the Company of the Program Manager Agreement.

10. To our knowledge, no action has been taken to authorize the termination of the existence of the Company.

This letter is intended solely for your benefit with respect to the Program Manager Agreement and, without our express written consent, may not be furnished to or relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with the Program Manager Agreement, except that this letter may be referred to in the Preliminary Official Statement and the Official Statement for the City of Syracuse Industrial Development Agency School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A and a copy of this letter may be included in any set of closing documents produced in connection with the issuance of such bonds.

VERY TRULY YOURS,  
TURNER CONSTRUCTION COMPANY

A handwritten signature in black ink, appearing to read "JEFFREY R. EGAN".

JEFFREY R. EGAN  
SENIOR COUNSEL

March 15, 2018

726 EXCHANGE STREET, SUITE 1000  
BUFFALO, NY 14210  
(716) 200-5050

Raymond James & Associates, Inc.  
*on its own behalf and  
as Representative of the Underwriters  
named in the Purchase Contract  
dated March 2, 2018*

535 Madison Avenue  
9th Floor  
New York, NY 10022

Ladies and Gentlemen:

We have acted as counsel for you in your capacity as representative (the "Representative") on your own behalf and on behalf of the underwriters (collectively, the "Underwriters") in connection with the issuance of the \$67,265,000 Syracuse Industrial Development Agency, School Facility Revenue Bonds, (Syracuse City School District Project) Series 2018A (the "Series 2018A Bonds"), which are being delivered to you today pursuant to a Purchase Contract (the "Purchase Contract") dated March 2, 2018, by and among the Representative, the City of Syracuse Industrial Development Agency ("SIDA"), and the Syracuse Joint Schools Construction Board (the "JSCB") on behalf of itself and each of the City School District of the City of Syracuse (the "SCSD") and the City of Syracuse (the "City"). During the course of our engagement, we have examined the following to enable us to render the opinions set forth below:

(a) Copies of proceedings relating to the authorization, issuance, sale and delivery of the Series 2018A Bonds;

(b) A copy of the Official Statement dated March 2, 2018, including the Appendices thereto (the "Official Statement"), relating to the Series 2018A Bonds;

(c) Executed copies of the Purchase Contract and certificates and opinions of counsel delivered to satisfy conditions of the Purchase Contract;

(d) An executed copy of the Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, by and among SIDA, the City, the SCSD and the JSCB, as amended by Amendment No. 1, dated as of July 1, 2009, Amendment No. 2 to the Installment Sale Agreement, dated as of December 1, 2010, Amendment No. 3 to the Installment Sale Agreement, dated as of July 1, 2011, Amendment No. 4 to the Installment Sale Agreement, dated as of April 1, 2017, and Amendment No. 5 to the Installment Sale Agreement, dated as of March 1, 2018;

(e) An executed copy of the State Aid Depository Agreement, dated as of March 1, 2008, by and among the SCSD, Manufacturers and Traders Trust Company, as

depository, the City and the JSCB, as amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010;

(f) An Indenture of Trust (Series 2018 Project), dated as of March 1, 2018, between SIDA and the Trustee;

(g) An executed copy of the Fourth Amendatory License Agreement, dated as of March 1, 2018, between the City and the SCSD, as licensors, and SIDA, as licensee (the "License Agreement"); and

(h) An executed copy of the Continuing Disclosure Agreement, dated as of March 15, 2018 (the "Continuing Disclosure Agreement"), relating to the Series 2018A Bonds.

We have also examined and relied on originals or copies certified or otherwise identified to our satisfaction of such other documents, instruments or corporate records, and have made such investigation of law as we have considered necessary or appropriate for the purpose of this opinion. In addition, in rendering this opinion, we have relied on (i) the approving opinion of SIDA's Bond Counsel as well as the opinions of Corporation Counsel for the City and the SCSD, and the counsels for SIDA and the JSCB, (ii) information provided by representatives of SIDA, the City, the SCSD, and the JSCB as incorporated in the Official Statement, and (iii) the certificates of officers of SIDA delivered to satisfy conditions of the Purchase Contract.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation and negotiations pertaining to, and your participation in the preparation of, the Official Statement and the issuance and sale of the Series 2018A Bonds. The purpose of our engagement was (i) to assist you in your negotiations with SIDA and with its financial advisor and its Bond Counsel, (ii) to assist in your investigation relating to and in the preparation of the Official Statement, and (iii) to prepare the Purchase Contract and assist in the negotiation of the Purchase Contract and to examine the documents delivered to you in satisfaction of the conditions thereof and otherwise consult with you as to the satisfaction of these conditions. Rendering assistance in these matters involved, among other things, examinations, inquiries and discussions concerning various legal and related subjects, and reviews of and reports on certain documents and proceedings.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such that we have necessarily assumed the accuracy, completeness and fairness of and take no responsibility for any of the statements made in the Official Statement. We have relied upon originals or copies certified or otherwise identified to our satisfaction, of such other records, documents and instruments and have made such investigations of law, as we have deemed appropriate as the basis for the opinions hereinafter expressed. In such examination, we have assumed the genuineness of all signatures on documents submitted to us as originals, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all such documents submitted to us as copies. As to any facts material to such opinions, we have in



all cases relied upon certificates of public officials, or certificates or opinions of officers or other representatives of the appropriate party or parties. We have also relied upon the representations, warranties and covenants set forth in the Purchase Contract.

In rendering this opinion letter, we are not expressing any opinion or view as to the authorization, execution, issuance, delivery, validity or enforceability of the Series 2018A Bonds. As to all such matters, we are relying upon the opinions of Bond Counsel, referred to above.

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

1. The Series 2018A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

2. Assuming the validity of the Continuing Disclosure Agreement, the undertakings of the Issuer contained therein satisfy paragraph (b)(5) of Rule 15c2-12 promulgated by United States Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Rule") insofar as they contains the elements required for the written agreement or contract referenced in paragraph (b)(5)(i) to provide continuing disclosure with respect to the Series 2018A Bonds. We note, however, that relying solely on this opinion without any further investigation on your part may not result in your being in full compliance with the requirements of the Rule.

This letter is furnished by us as counsel to the Underwriter in this transaction and is solely for your benefit and it is not to be used, circulated, quoted or otherwise referred to for any purposes and may not be relied upon by owners of Series 2018A Bonds or by any other party to whom it is not specifically addressed without our express written consent, except that reference may be made to it in the Purchase Contract or in any list of closing documents pertaining to the delivery of the Series 2018A Bonds. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter.

Very truly yours,

HARRIS BEACH PLLC

By: \_\_\_\_\_

  
Todd Miles, Member

Kenneth P. Friedman  
Partner  
Direct Dial: 716.848.1279  
kfriedma@hodgsonruss.com



March 15, 2018

City School District of the City of Syracuse  
725 Harrison Street  
Syracuse, NY 13210

Joint Schools Construction Board  
City Hall  
Syracuse, NY 13202

City of Syracuse Industrial  
Development Agency  
City Hall  
223 East Washington Street  
Room 312  
Syracuse, NY 13202

City of Syracuse  
City Hall  
Syracuse, NY 13202

Raymond James & Associates, Inc.  
535 Madison Avenue, 9th Floor  
New York, NY 10022

Ladies and Gentlemen:

We have acted as counsel to Manufacturers and Traders Trust Company (the "Bank") in connection with the execution and delivery by the Bank of an Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, between City of Syracuse Industrial Development Agency and Manufacturers and Traders Trust Company, as trustee (the "Indenture").

This letter is being delivered to you pursuant to Section 7(c)(vi) of a Purchase Contract, dated March 2, 2018, from Raymond James & Associates, Inc., as underwriter, to City School District of the City of Syracuse and City of Syracuse Industrial Development Agency and accepted by City of Syracuse Industrial Development Agency and Syracuse Joint Schools Construction Board on behalf of itself, City School District of the City of Syracuse and City of Syracuse and by City School District of the City of Syracuse and relating to the City of Syracuse Industrial Development Agency's \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project), Series 2018A.

Page 2

The opinions and confirmations set forth in this letter, whether or not qualified by the phrase “to our knowledge,” are subject to the following qualifications and the additional qualifications set forth in the Appendix attached to this letter:

1. The opinions and confirmations set forth in this letter are based solely upon (a) our review of, as submitted to us,

- (i) the Indenture, and a State Aid Depository Agreement, dated as of April 1, 2008, among City of Syracuse, City School District of the City of Syracuse and the Bank, as depository bank, as amended by a First Amendment to State Aid Depository Agreement, dated as of December 1, 2010, among City of Syracuse, City School District of the City of Syracuse and the Bank, as depository bank, (such State Aid Depository Agreement as so amended, and the Indenture being collectively the “Bank Documents” and individually a “Bank Document”),
- (ii) the Organization Certificate of the Bank,
- (iii) a Certificate of Authority of the Bank, dated March 2, 2018, executed by an officer of the Bank (the “Officer’s Certificate”), which contains an extract of the By-laws of the Bank, and
- (iv) a Certificate, dated March 2, 2018, from the Deputy Superintendent, Community and Regional Banks, Banking Division, of the Department of Financial Services of the State of New York as to the Bank (the “Governmental Certificate”) (items (a)(i) through (a)(iv) being collectively the “Reviewed Documents”),

(b) as to factual matters, the actual knowledge of those of our present attorneys who have had primary responsibility for reviewing the Bank Documents on behalf of the Bank (collectively the “Attorney Information”) and (c) as to legal matters, our review of such published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review of the Reviewed Documents, we have not reviewed any document referred to in any of the Reviewed Documents or made any inquiry or other investigation as to any factual matter (including, but not limited to, (a) any review of any of the files and other records of the Bank or any court or other governmental authority, (b) any of our files and other records, (c) any inquiry of any director, officer, employee or other agent of the Bank and (d) any inquiry of any past or present attorney of ours).

2. We do not express any opinion concerning any law other than the law of the State of New York and the federal law of the United States.

Page 3

Subject to the qualifications set forth in this letter (including, but not limited to, the additional qualifications set forth in the Appendix attached to this letter), it is our opinion that:

1. The Bank is a trust company validly existing under the law of the State of New York.
2. The Bank has the corporate power to execute and deliver the Bank Documents, to perform its obligations under the Bank Documents and to accept its obligations under the Indenture.
3. The execution and delivery of the Bank Documents by the Bank, the performance by the Bank of its obligations under the Bank Documents and the acceptance by the Bank of its obligations under the Indenture have been duly authorized by all necessary corporate action of the Bank.
4. Each officer of the Bank executing and delivering any Bank Document on behalf of the Bank has been duly authorized by the Bank to execute and deliver such Bank Document on behalf of the Bank.
5. The Bank Documents have been duly executed and delivered by the Bank.
6. The Bank Documents are enforceable against the Bank under the law of the State of New York.
7. The Bank has duly accepted its obligations under the Indenture.
8. Other than routine filings required to be made with governmental agencies of the State of New York and federal governmental agencies in order to preserve the Bank's authority to perform a trust business, the execution and delivery of the Bank Documents by the Bank, the performance by the Bank of its obligations under the Bank Documents and the acceptance by the Bank of its obligations under the Indenture do not require the consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action with respect to, any governmental agency or other governmental authority of the State of New York or any United States federal governmental agency or other United States federal governmental authority, assuming the non-existence of any outstanding judgment, decree or order of any court, governmental agency or other governmental authority that would be violated by such execution, delivery, performance and acceptance.

City School District of the City of Syracuse  
Joint Schools Construction Board  
City of Syracuse Industrial  
Development Agency  
City of Syracuse  
Raymond James & Associates, Inc.



Page 4

Subject to the qualifications set forth in this letter (including, but not limited to, the additional qualifications set forth in the Appendix attached to this letter), we confirm to you that, to our knowledge:

1. The execution and delivery of the Bank Documents by the Bank, the performance by the Bank of its obligations under the Bank Documents and the acceptance by the Bank of its obligations under the Indenture do not violate any statute, rule or regulation of the State of New York or any United States federal statute, rule or regulation.

2. There is not pending against the Bank before any court, governmental agency or other governmental authority or arbitrator or overtly threatened in writing against the Bank any action or other legal proceeding that seeks to render the execution and delivery of the Bank Documents by the Bank, the performance by the Bank of its obligations under the Bank Documents and the acceptance by the Bank of its obligations under the Indenture invalid or unenforceable.

3. There is no outstanding judgment, decree or order of any court, governmental agency or other governmental authority that would be violated by the execution and delivery of the Bank Documents by the Bank, the performance by the Bank of its obligations under the Bank Documents and the acceptance by the Bank of its obligations under the Indenture.

This letter is solely for your benefit with respect to the Bank Documents and, without our express written consent, may not be furnished to, relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with the Bank Documents, except that in connection with the Bank Documents this letter may be furnished to Barclay Damon, LLP, as bond counsel, and counsel to each of you in connection with the Bank Documents and may be relied upon by Barclay Damon, LLP, as bond counsel, and counsel to each of you in giving and referred to in any opinion letter given to you by it in connection with the Bank Documents.

Very truly yours,

HODGSON RUSS LLP

By   
Kenneth P. Friedman

## Appendix

### Additional Qualifications

The opinions and confirmations set forth in the letter to which this Appendix is attached (such letter and this Appendix being collectively the “Opinion Letter”) are subject to the following additional qualifications:

1. We have assumed without any inquiry or other investigation –
  - (a) the legal capacity of each natural person,
  - (b) the genuineness of each signature on any of the Reviewed Documents other than the signature on any Bank Document of any individual executing such Bank Document on behalf of the Bank, the accuracy and completeness of each of the Reviewed Documents, the authenticity of each of the Reviewed Documents submitted to us as an original, the conformity to the original of each of the Reviewed Documents submitted to us as a copy and the authenticity of the original of each of the Reviewed Documents submitted to us as a copy,
  - (c) the accuracy on the date of the Opinion Letter as well as on the date stated in the Officer’s Certificate or the Governmental Certificate of each statement contained therein and the accuracy on the date of the Opinion Letter as well as on the date made of each statement as to any factual matter contained in any other of the Reviewed Documents,
  - (d) there not existing outside of the Reviewed Documents, the Attorney Information, the law of the State of New York and the federal law of the United States anything that would render incorrect any opinion set forth in the Opinion Letter,
  - (e) the constitutionality or validity of any statute, rule regulation or other law not being at issue,
  - (f) the due incorporation of the Bank, the due adoption and filing of each amendment to any certificate of incorporation or organization certificate of the Bank and the due adoption of the original by-laws of the Bank and each amendment to any by-laws of the Bank,
  - (g) the unconditional physical or electronic delivery of the Bank Documents by the Bank,
  - (h) the satisfaction of each legal requirement applicable to any party to any Bank Document other than the Bank to the extent necessary to make such Bank Document enforceable against such party,
  - (i) the satisfaction of each legal requirement applicable to the status of any party to any Bank Document other than the Bank to the extent that such status relates to any right of such party to enforce such Bank Document against the Bank,
  - (j) there not having occurred with respect to any transaction contemplated by any Bank Document any mutual mistake of fact or misunderstanding, fraud, duress or undue influence or any conduct that does not comply with any requirement of good faith, fair dealing or conscionability,
  - (k) each party to any Bank Document other than the Bank having acted in good faith and without any notice of any defense against the enforcement of any right granted to such

party by such Bank Document or any adverse claim to any property that or any interest in which is transferred by such Bank Document and

(l) there existing no agreement or understanding, whether written or oral, and there existing no usage of trade or course of conduct, that would limit, define, supplement or qualify any provision of any Bank Document.

2. To the extent that any opinion set forth in the Opinion Letter is based upon any statement contained in the Governmental Certificate, such opinion is limited to the meaning ascribed to such statement by the issuer of the Governmental Certificate.

3. The Opinion Letter addresses only the matters addressed by the opinions set forth in the Opinion Letter and does not address any other matter. Any opinion set forth in the Opinion Letter –

(a) deals only with the specific legal issue or issues it explicitly addresses and does not address any other matter,

(b) addresses only law that, in our experience without our having made any investigation as to the applicability of any particular statute, rule, regulation or other law not expressly referred to in such opinion, is normally directly applicable to the Bank in acting as a corporate trustee,

(c) except as expressly set forth in such opinion, does not address any legal issue arising under –

(i) any statute, rule, regulation or other law relating to any futures, forward, option, swap or other derivative contract or guaranty or other obligation arising in connection therewith, commodities, securities, pension, employee benefit, antitrust, unfair competition, communication, usury, fraudulent transfer, fraudulent conveyance, preference, privacy, consumer protection, anti-discrimination, environmental, land use, subdivision, tax, copyright, patent, trademark or other intellectual property, gambling, racketeering, terrorism, money laundering, emergency, health, safety, labor, health or other insurance, forfeiture or criminal matter or any filing, notice, margin or fiduciary requirement or

(ii) any statute, ordinance, rule, regulation or other law of any political subdivision of the State of New York,

(d) does not address the effect on such opinion of any law (including, but not limited to, public policy reflected therein) other than the law of the State of New York and the federal law of the United States and

(e) except as expressly set forth in such opinion, does not address any matter relating to –

(i) the legal or regulatory status, or the nature or conduct of any business, of any party or

(ii) the compliance or noncompliance by any party with any statute, rule, regulation or other law.

4. The opinion set forth in the Opinion Letter concerning the enforceability of any Bank Document against the Bank under the law of the State of New York means that, while, as to the Bank, no particular remedy (including, but not limited to, specific performance) will necessarily be available under the law of the State of New York and no particular provision of such Bank Document will necessarily be upheld or enforced in any or each circumstance by a court of the State of New York applying such law, such unavailability of any particular remedy and such failure of any particular provision to be upheld or enforced will not preclude the availability under such law, upon a material default by the Bank in the performance by the Bank of any material obligation of the Bank under such Bank Document, of a legally adequate remedy for pursuing a claim against the Bank for damages for such default.

5. The enforceability of any Bank Document against the Bank under the law of the State of New York may be limited or otherwise affected by –

(a) any bankruptcy, insolvency, liquidation, reorganization, conservatorship, receivership, moratorium, marshaling, arrangement, assignment for benefit of creditors, fraudulent transfer, fraudulent conveyance, preference or other statute, rule, regulation or other law affecting the rights and remedies of creditors generally or creditors of specific types of debtors,

(b) any general principle of equity, whether applied by a court of law or equity, (including, but not limited to, any principle –

(i) governing the availability of specific performance, injunctive relief or any other equitable remedy that is subject to the discretion of a court,

(ii) affording any equitable defense,

(iii) requiring, or limiting the effectiveness, validity or enforceability of any waiver of any requirement of, good faith, fair dealing, reasonableness or diligence in the performance or enforcement of a contract by a party seeking the enforcement of such contract,

(iv) requiring consideration of the materiality of a breach of a contract by a party against whom or which the enforcement of such contract is sought or consideration of the materiality of the consequences of such breach to a party seeking such enforcement,

(v) requiring consideration at the time the enforcement of a contract is attempted of the impracticality or impossibility of the performance of such contract or

(vi) affording any defense to the enforcement of a contract based upon the unconscionability of the conduct after such contract has been entered into of a party seeking such enforcement) and

(c) the illegality of such Bank Document under any law other than the law of the State of New York.

6. The qualification of any confirmation set forth in the Opinion Letter by the phrase “to our knowledge” signifies that, in the course of our representation of the Bank in connection with the execution and delivery of the Bank Documents by the Bank, no information has come to the attention of those of our present attorneys who have had primary responsibility for reviewing the Bank Documents on behalf of the Bank that would give such attorneys actual knowledge of the inaccuracy of such confirmation.



7. The Opinion Letter is given without regard to any change after the date of the Opinion Letter with respect to any factual or legal matter, and we disclaim any obligation to notify any of you of any such change or any effect of any such change on any opinion or confirmation set forth in the Opinion Letter.

8. The Opinion Letter is to be interpreted in accordance with customary practice in the State of New York with respect to legal opinions rendered by lawyers to non-clients in business transactions except to the extent that such customary practice is incompatible with any qualification set forth in the Opinion Letter.

BARCLAY DAMON<sup>LLP</sup>

March 15, 2018

City of Syracuse Industrial Development Agency  
201 East Washington Street, 7<sup>th</sup> Floor  
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project), Series 2018A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the City of Syracuse Industrial Development Agency (the “**Issuer**”) of its School Facility Revenue Bonds, Series 2018A (Syracuse City School District Project) in the aggregate principal amount of \$67,265,000 (the “**Series 2018A Bonds**”).

The Series 2018A Bonds are authorized to be issued pursuant to (i) Title I of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, and Section 926 of the State’s General Municipal Law, as amended from time to time (collectively, the “**IDA Act**”) and Chapter 58, Part A-4 of the Laws of 2008 of the State, as amended from time to time (the “**Syracuse Schools Act**”); (ii) a certain Indenture of Trust (Series 2018A) dated as of March 1, 2018 (the “**Indenture**”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “**Trustee**”); and (iii) a resolution adopted by the Issuer on January 16, 2018 (the “**Inducement Resolution**”) and an approving resolution adopted by the Issuer on January 16, 2018 (the “**Bond Resolution**”) and together with the Inducement Resolution, the “**Resolution**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Series 2018A Bonds are being issued to finance a project (the “**Series 2018A Project**”) undertaken by the Issuer at the request of the Syracuse Joint Schools Construction Board (the “**JSCB**”), acting as agent of the City of Syracuse, New York (the “**City**”) and the City School District of the City of Syracuse (the “**SCSD**”), consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Bellevue Elementary, Frazer Pre-K-8 School, Ed Smith Pre-K-8 School and Grant Middle School (collectively, the “**Buildings**”); (ii) the reconstruction, renovation, rehabilitation and improvements, including but not limited to some or all of the following at the Buildings: windows, roofs, bathrooms, mechanicals, plumbing, electrical, accessibility, security and site improvements, parking lots and landscaping; (iii) and the construction of an approximately 2,957 square foot addition to the Ed Smith Pre-K-8 School gymnasium; (B) the acquisition and

installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property related site work, parking improvements and landscaping (the "**Equipment**" and together with the Buildings, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2018A Project, financing certain costs of issuance and funding a debt service reserve fund, if any) by the issuance of the Agency's School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A Project in an aggregate principal amount of up to \$82,000,000.

The Series 2018A Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Series 2018A Bonds are subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Indenture.

The SCSD, the City and Manufacturers and Traders Trust Company, as Depository Bank (as the "**Depository Bank**") have entered into a certain State Aid Depository Agreement, dated as of March 1, 2008, as amended by the First Amended and Restated State Aid Depository Agreement, dated as of December 1, 2010 (as the same may be further amended or supplemented from time to time, collectively the "**State Aid Depository Agreement**"), pursuant to and with respect to which each of the Commissioner of Finance of the City and the SCSD have instructed the State Comptroller to pay all New York State building and operating aid appropriated by the State for the SCSD directly to the State Aid Depository Fund established with and held by the Depository Bank pursuant to the State Aid Depository Agreement.

The City and the SCSD have granted a license to the Issuer in and to the Facilities pursuant to a License Agreement (Series 2008 Project), dated as of March 1, 2008, among the City, the SCSD and the Agency (the "**Original License**"), which was previously amended by the City and the SCSD pursuant to an Amendatory License Agreement, dated as of December 1, 2010 (the "**Amendatory License Agreement**"); and further amended by the City and the SCSD pursuant to a Second Amendatory License Agreement dated as of July 1, 2011 (the "**Second Amendatory License Agreement**"), and as further amended by the City and SCSD pursuant to a Third Amendatory License Agreement dated as of April 1, 2017 (the "**Third Amendatory License Agreement**") and as further amended by the City and SCSD pursuant to a Fourth Amendatory License Agreement dated as of March 1, 2018 (the "**Fourth Amendatory License Agreement**" and together with the Original License, the Amendatory License Agreement, the Second Amendatory License Agreement and the third Amendatory License Agreement, collectively, the "**License**"); and conveyed title to the Equipment (as defined in the Installment Sale Agreement as defined hereinbelow) comprising a portion of the Facilities to the Issuer pursuant to a Bill of Sale to Agency, dated as of March 1, 2008, as amended by an Amendatory Bill of Sale dated as of December 1, 2010, as further amended by a Second Amendatory Bill of Sale dated as of March 1, 2018 (collectively, the "**Bill of Sale**"). The Issuer has sold its interest in the Facilities to the City and the SCSD pursuant to an Installment Sale Agreement (Series 2008 Project), dated as of March 1, 2008, (the "**Original Agreement**"), as previously amended by Amendment No. 1 to Installment Sale Agreement dated as of July 1, 2009 (the "**First Amended Agreement**"); Amendment No. 2 to the Installment Sale Agreement dated as of

December 1, 2010 (the “**Second Amended Agreement**”); Amendment No. 3 to Installment Sale Agreement dated as of July 1, 2011 (the “**Third Amended Agreement**”); Amendment No. 4 to Installment Sale Agreement dated as of April 1, 2017 (the “**Fourth Amended Agreement**”); and Amendment No. 5 to Installment Sale Agreement dated as of March 1, 2018 (the “**Fifth Amended Agreement**” and together with the Original Agreement, the First Amended Agreement, the Second Amended Agreement, the Third Amended Agreement and the Fourth Amended Agreement, the “**Installment Sale Agreement**” or “**Agreement**”) as same may be further amended or supplemented from time to time, each between the Agency, the City, the JSCB and the SCSD. Pursuant to the Installment Sale Agreement, the SCSD and the City have agreed to pay scheduled Installment Purchase Payments in amounts equal to the principal of and interest on the Series 2018A Bonds, *provided, however*, that such Installment Purchase Payment obligation of the SCSD and the City are executory only to the extent of State Aid to Education (as defined in the State Aid Depository Agreement) available for such payment from the State Aid Depository Fund and transferred therefrom to the Trustee by the Depository Bank, and further subject to budgeting by the SCSD, appropriation by the City for such purpose and approval by the SCSD of payment thereof after appropriation by the City therefor.

Pursuant to the Indenture and the Pledge and Assignment dated as of March 1, 2018, by the Issuer to the Trustee, acknowledged by the City, the SCSD and the JSCB, the Issuer has assigned to the Trustee substantially all of the Issuer’s right, title and interest in, to and under the Installment Sale Agreement, including the foregoing Installment Purchase Payments to be made by the SCSD and the City.

It is provided in the Indenture that, upon satisfying certain conditions, the Issuer may issue one or more series of additional bonds (the “**Additional Bonds**”) from time to time on the terms and conditions and for the purposes stated in the Applicable Indenture; and the Additional Bonds, if issued, will be equally and ratably secured under the Applicable Indenture with the Series 2018A Bonds. The Indenture further provides that the amount of Installment Purchase Payments required to be paid under the Installment Sale Agreement shall be re-calculated so as to provide money for the full and timely payment of the principal of and interest on the Series 2018A Bonds and any such series of Additional Bonds.

We have reviewed an opinion of even date herewith of Trespasz & Marquardt LLP, counsel to the JSCB, upon which we are relying as to the due authorization, validity and enforceability of the Installment Sale Agreement and any other documents executed by the JSCB, as they relate to the JSCB; an opinion of even date herewith of the Corporation Counsel of the City of Syracuse, counsel to the City and the SCSD, upon which we are relying as to the due authorization, validity and enforceability of the License, the Installment Sale Agreement, the State Aid Depository Agreement and any other documents executed by each party as they relate to the City and the SCSD; and an opinion of even date herewith of Hodgson Russ LLP, counsel to the Trustee and the Depository Bank upon which we are relying as to the due authorization, validity and enforceability of the Indenture by the Trustee. No opinion as to such matters is expressed herein.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including documents

contained in the record of proceedings with respect to the issuance of the Series 2018A Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

For purposes of the opinions set forth in paragraph (vi), we have assumed: (a) the accuracy of certain factual certifications of the Issuer, the JSCB, the SCSD and the City; and (b) continuing compliance by the Issuer, the JSCB, the SCSD and the City with their respective tax-related covenants in the Indenture, the Installment Sale Agreement, the Tax Certificate, dated the date hereof, of the Issuer and the Arbitrage and Use of Proceeds Certificate dated the date hereof of the JSCB, the SCSD and the City. In the event of the inaccuracy or incompleteness of any of such certifications or of the failure by the Issuer, the JSCB, the SCSD or the City to comply with such covenants, the interest on the Series 2018A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Series 2018A Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although such interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of such interest may otherwise affect the tax liability of a holder of a Series 2018A Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a Series 2018A Bond and such holder's other items of income, deduction or credit. We express no opinion with respect to any such effect.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Series 2018A Bonds, and we express no opinion relating thereto. We have not been requested to examine and have not examined any documents or information relating to the JSCB, the City or the SCSD other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2018A Bonds.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing corporate governmental agency constituting a public benefit corporation under the laws of the State.
- (ii) The Series 2018A Project constitutes a "project" under and as defined in the IDA Act and the Syracuse Schools Act.
- (iii) The Issuer has the right and power under the IDA Act and the Syracuse Schools Act: (a) to acquire a license interest in Facilities and title to the Equipment; (b) to undertake the Series 2018A Project and to issue, execute, sell and deliver the Series 2018A Bonds in connection with the Series 2018A Project; (c) to assign its interest in the Installment Sale Agreement to the Trustee as provided in the

Indenture and the Installment Sale Agreement; and (d) to enter into the Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement.

- (iv) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (v) The Indenture, the License, the Installment Sale Agreement, the Pledge and Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement the have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.
- (vi) The Series 2018A Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms and are entitled to the benefits of the Indenture. The Indenture creates a valid pledge of and a valid lien upon the Trust Estate, except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for the purposes and on the terms and conditions set forth in the Indenture.
- (vii) Under existing law and assuming the accuracy of certain representations and compliance with certain tax covenants described herein: (a) interest on the Series 2018A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and (b) interest on the Series 2018A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Series 2018A Bonds is exempt from personal income taxes imposed by the State and the political subdivisions thereof (including the City of New York).

All of the Series 2018A Bonds, except those maturing on Mary 1, 2034 (collectively the “*Premium Bonds*”) have been initially offered to the public at prices greater than the amount payable with respect to such Premium Bonds at maturity. As a result of requirements under the Code relating to tax cost reduction associated with the amortization of bond premium, under certain circumstances the initial purchaser of such Premium Bond may realize taxable gain upon disposition thereof even though sold or redeemed for an amount less than or equal to such purchaser’s original acquisition cost. The amortization requirements may also result in the reduction of the amount of stated interest which an initial purchaser of such Premium Bond is treated as having received for federal tax purposes.

The Series 2018A Bonds maturing on Mary 1, 2034 (collectively the “*Discounted Bonds*”) have been initially offered to the public at prices less than the amount payable with respect to such Discounted Bonds at maturity. The difference between the stated principal

amount of such Discounted Bonds and the initial offering price of such Discounted Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discounted Bonds of the same maturity were sold constitutes original issue discount. Such original issue discount is excluded from gross income for Federal income tax purposes to the same extent as interest on such Discounted Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of such Discounted Bond and the basis of such Discounted Bond acquired at such initial offering price by an initial purchaser of such Discounted Bond will be increased by the amount of such accrued discount. The accrual of original income discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Discounted Bonds, even though there will not be a corresponding cash payment.

In rendering our opinion, we wish to advise you that:

(a) The enforceability against the Issuer of the Series 2018A Bonds, the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors' rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the priority of the fee interest or the ownership of any other interest in any parcel of the land included within the Series 2018A Project, or the sufficiency of the description of any such parcel in the Indenture, the License, the Installment Sale Agreement and the Pledge and Assignment or the existence of any liens or encumbrances on any property.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Series 2018A Bonds may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. We express no opinion as to any series of the Series 2018A Bonds or the interest thereon, if any, with respect to any change or action taken upon the advice or approval of bond counsel other than Barclay Damon LLP.

(e) We have assumed the due filing and sufficiency of financing statements under the State Uniform Commercial Code.

(f) We express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the rehabilitation, construction, reconstruction or equipping of any of the Facilities or the operation of any of the Facilities, or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental

March 15, 2018

Page 7

authority with respect to any of the Facilities or the transactions contemplated under the Indenture.

We have examined the executed Bond numbered RA-1 through RA-15, in fully registered form and, in our opinion, the form of the Bond and the execution thereof are regular and proper.

Very truly yours,

**BARCLAY DAMON LLP**

*Barclay Damon LLP*



**BARCLAY DAMON** <sup>LLP</sup>

March 15, 2018

City of Syracuse Industrial Development Agency  
Syracuse, New York

Raymond James & Associates, Inc., the Underwriter  
New York, New York

Re: City of Syracuse Industrial Development Agency  
School Facility Revenue Bonds  
(Syracuse City School District Project) Series 2018A

Ladies and Gentlemen:

In connection with the issuance by the City of Syracuse Industrial Development Agency (the "**Agency**") of its \$67,265,000 School Facility Revenue Bonds (Syracuse City School District Project) Series 2018A (the "**Series 2018A Bonds**"), which are being delivered today pursuant to a Bond Purchase Agreement, dated March 2, 2018 (the "**Purchase Agreement**") by and among the Agency, the Syracuse Joint Schools Construction Board (the "**JSCB**"), on behalf of itself, the City School District of the City of Syracuse (the "**SCSD**"), the City of Syracuse, New York (the "**City**") and Raymond James & Associates, Inc., as representatives of the underwriters (the "**Underwriter**") named in the Official Statement, dated March 2, 2018 (the "**Official Statement**"), we have examined: (a) the Indenture of Trust (Series 2018A Project), dated as of March 1, 2018, by and between the Agency and Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"); (b) the Official Statement; (c) an executed copy of the Purchase Agreement; and (d) certain portions of the record of proceedings relating to the issuance and delivery of the Series 2018A Bonds.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, opinions and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered herein. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have relied, without having made any independent investigation, upon the aforesaid instruments, certificates, opinions and documents.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except to the extent set forth in the following paragraph) and make no representation that we have undertaken to determine independently the accuracy, completeness or fairness of such statements.

Based upon and subject to the foregoing, although we assume no responsibility for the accuracy or completeness of factual information contained in the Preliminary Official Statement and the Official Statement, we are of the opinion that the information contained in the Preliminary Official Statement and the Official Statement (other than financial and statistical data contained therein, as to which no opinion is expressed), under the headings “**THE SERIES 2018A BONDS**” (other than under (i) the last paragraph under the sub-heading “Redemption Procedures” and (ii) the sub-heading “Registration and Payment-Book-Entry System.”) and “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018A BONDS**” (except that no opinion is expressed with respect to (i) the 5<sup>th</sup> and last sentence under the sub-heading “General”; (ii) the last sentence in the first paragraph under the subheading “The Installment Sale Agreement”; (iii) the first and second sentences in the fifth paragraph under the subheading “The Indenture;” (iv) the subheading “State Aid Depository Agreement”; (v) the first and second and 5<sup>th</sup> sentences under the subheading “Timing of Payments”; and (vi) the subheading “State Aid to Education”; and in Appendices B, C, D and E to the Official Statement, insofar as such statements contained under such headings and Appendices purport to summarize certain provisions of the referenced documents, present a fair summary of such provisions, and the statements contained under the caption “TAX MATTERS” present a fair description of the matters set forth therein. Except with respect to those portions of the Official Statement described in the preceding sentence, we express no opinion as to any material, information or statistics contained in the Official Statement, including Appendices A and F thereto.

We are of the opinion that the Official Statement has been duly authorized and delivered by the Agency, and that the Agency has authorized the distribution of the Preliminary Official Statement dated February 23, 2018 relating to the Series 2018A Bonds and the use of said Preliminary Official Statement and the Official Statement by the Underwriters in connection with the public offering of the Series 2018A Bonds.

We are further of the opinion that the Purchase Contract has been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery of the Purchase Contract by the other parties thereto and the enforceability of the same against such other parties, constitutes the binding agreement of the Agency, except to the extent that the enforceability of the Purchase Contract may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors’ rights generally and is subject to general principles or equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We are additionally of the opinion that the Series 2018A Bonds constitute exempted securities within the meaning of the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2018A Bonds, to register the Series 2018A Bonds under such Securities Act or to qualify the Indenture under such Trust Indenture Act.

Very truly yours,

**BARCLAY DAMON LLP**

A handwritten signature in black ink that reads "Barclay Damon LLP". The signature is written in a cursive, flowing style.

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

**SCHOOL FACILITY REVENUE BONDS  
(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

**TRANSCRIPT OF PROCEEDINGS**

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**CLOSING DATE: MARCH 14, 2018**

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**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHOOL FACILITY REVENUE BONDS**  
**(SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2018A**

**INDEX OF CLOSING DOCUMENTS**

| <b><u>Tab No.</u></b> | <b><u>Basic Documents</u></b>  |
|-----------------------|--|
| 1                     | Syracuse Schools Act   |
| 2                     | Legislation Authorizing Phase II of Program  |
| 3                     | Fourth Amendatory License Agreement  |
| 4                     | Bill of Sale to Agency (2008)  |
| 5                     | Amendatory Bill of Sale to Agency (2010)   |
| 6                     | Second Amendatory Bill of Sale to Agency (2011)  |
| 7                     | Third Amendatory Bill of Sale to Agency (2018)   |
| 8                     | Installment Sale Agreement (2008)  |
| 9                     | Amendment No. 5 to Installment Sale Agreement  |
| 10                    | State Aid Depository Agreement (2008)  |
| 11                    | First Amendment to State Aid Depository Agreement (2010)   |
| 12                    | Copy of Letter of Instruction from the Commissioner of Finance and the President of the Board of Education of SCSD related to State Aid to Education deposits and confirmatory receipt by the New York State Comptroller |
| 13                    | Environmental Compliance and Indemnification Agreement (2008)  |
| 14                    | First Supplemental Environmental Compliance and Indemnification Agreement (2010)   |
| 15                    | Second Supplemental Environmental Compliance and Indemnification Agreement (2011)  |

- 16 Third Supplemental Environmental Compliance and Indemnification Agreement (2018)
- 17 Indenture of Trust (2018)
- 18 Pledge and Assignment in favor of Trustee
- 19 Tax Certificate
- 20 Arbitrage and Use of Proceeds Certificate
- 21 Information Return for Tax-Exempt Governmental Obligations (IRS Form 8038G) with proof of mailing
- 22 TD- State Bond Issuance Charge Return
- 23 Continuing Disclosure Agreement
- 24 DTC Blanket Letter of Representations
- 25 UCC-1 Financing Statements
- (a) Indenture
- (b) Pledge and Assignment
- 26 Closing Receipt
- 27 Requisition #1 (Project Fund) (COI)
- 28 Letter of Instruction to Trustee and City re: BAN redemption
- 29 Specimen Bonds
- 30 General Certificate of the City by Mayor including representations and warranties under the Bond Purchase Agreement with
- Exhibit A: Certified Copies of Ordinances
- 31 Certificate of Determination of the Commissioner of Finance on behalf of the City as to cost comparison and interest rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis
- Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency

- 32 Investment Directive Letter with exhibit
- 33 General Certificate of SCSD including representations, and warranties under the Bond Purchase Agreement with
- Exhibit "A": Certified Resolutions
- 34 Agreed upon procedures letter by accountants of SCSD with consent
- 35 Certificate of the SCSD (2018) as to Plans and Specifications for Series 2018A Project with:
- A. Evidence of approval by the New York State Education Department and Board of Education;
  - B. Certificate of MBBA as to cost comparison and interest rate, together with Exhibits
  - C. Evidence of approval by the OSC as to Financial Plan.
- 36 Certificate of Determination by the Chief Financial Officer of the SCSD as to Financing Cost and Interest Rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis
- Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency
- 37 General Certificate of JSCB including representations and warranties under the Bond Purchase Agreement with:
- Exhibit A: Intermunicipal Agreement
  - Exhibit B: Certified Resolutions
  - Exhibit C: By-Laws
- 38 Program Manager Agreement
- 39 Approval of Financial Plan by State Comptroller
- 40 Certificate of Determination of the Mayor as Chair of the JSCB as to Financing Cost and Interest Rate
- Exhibit A: Certificate by PRAG as to Interest Rate, Net Interest Cost and Fiscal Analysis

- Exhibit B: Certificate of Determination of the Chief Operating Officer of the State of New York Municipal Bond Bank Agency
- 41 Insurance Certificates
- 42 Certificate of Program Manager
  - Exhibit A: Certificate of Incorporation
  - Exhibit B: Certificate of Good Standing
  - Exhibit C: Resolution
- 43 General Certificate of the Agency relating to incumbency and signature of officers, execution and delivery of the Bonds and the other Agency Documents to which it is a party, no litigation and continued existence with the following items included as exhibits:
  - Exhibit A: Chapter 641 of the Laws of 1979
  - Exhibit B: Certificates of Establishment of the Agency and of Appointment of current members of the Agency, certified by the NYS Secretary of State
  - Exhibit C: By-Laws
  - Exhibit D: Public Hearing Resolution
  - Exhibit E: Affidavit of publication of notice of Public Hearing, Letters sent to affected taxing jurisdictions and Report of Public Hearing
  - Exhibit F: SEQRA Lead Agency Resolution
  - Exhibit G: SEQRA Resolution
  - Exhibit H: Inducement Resolution
  - Exhibit I: Bond Sale Resolution
  - Exhibit J: Alternate Signatory Resolution
- 44 Request to Authenticate and Deliver Bonds
- 45 Bond Purchase Agreement
- 46 Blue Sky Memorandum

|    |   |
|----|---|
| 47 | 15c2-12 Certificates  |
| 48 | Preliminary Official Statement  |
| 49 | Official Statement  |
| 50 | Rating Agency Letters   |
| 51 | Certificate of Authority as Trustee and as Depository Bank  |
| 52 | Representation as FAST Agent and Receipt for Bonds  |
| 53 | Opinion of Counsel of Corporation Counsel, counsel to Agency, addressed to SIDA, the Representative, School Parties, Bond Counsel, the Trustee and the Bond Insurer |
| 54 | Opinion of Corporation Counsel to City and SCSD addressed to SIDA, the Representative, School Parties, Bond Counsel, the Trustee and Depository Bank                |
| 55 | Opinion of Counsel of Trespasz & Marquardt, LLP, counsel to JSCB, addressed to School Parties, SIDA, Bond Counsel, the Trustee and the Representative               |
| 56 | Opinion of Program Manager, addressed to SIDA, School Parties, Bond Counsel, the Trustee and the Representative   |
| 57 | Opinion of Counsel of Harris Beach PLLC, counsel to Underwriter, addressed to Representative  |
| 58 | Opinion of Counsel of Hodgson Russ LLP, counsel to Trustee and Depository Bank addressed to School Parties, SIDA, Bond Counsel and the Representative               |
| 59 | Approving Opinion of Barclay Damon, LLP, as Bond Counsel, addressed to SIDA   |
| 60 | Reliance Letter of Barclay Damon, LLP, as Bond Counsel, addressed to the Bond Trustee, the Depository and Underwriter   |
| 61 | Supplemental Opinion of Barclay Damon, LLP, as Bond Counsel, addressed to SIDA and the Representative   |
| 62 | Closing Memorandum  |